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Jovanovic: New UN Resolution Contradicts Vance-Owen Plan

LD0104100293 Belgrade TANJUG Domestic Service in Serbo-Croatian 0831 GMT 1 Apr 93

[Text] Belgrade, 1 Apr (TANJUG)—In the course of two days the UN Security Council adopted two new resolutions, 815 and 816, which—according to initial assessments by political and diplomatic circles in Belgrade, as well as by representatives of the Serb republic of Bosnia-Herzegovina and the republic of Serb Krajina [RSK]—could have far-reaching consequences, not just for the peace process regarding the territory of former Yugoslavia but for the peace and stability in the Balkans and even Europe.

The first of these two resolutions treats the RSK territory as an integral part of the Republic of Croatia. The other allows the use of force against those violating the no-fly ban over former Bosnia-Herzegovina.

"The claim that the RSK territory, which is under UN control, is part of Croatia, is absolutely contrary to the Vance plan, which was acceptable for both sides," Yugoslav Foreign Minister Vladislav Jovanovic stated last night upon his return from Brussels.

"The Vance plan does not prejudge a political solution, which should be sought through negotiations between representatives of the people of Krajina and Croatia," Jovanovic said. He added: "In this sense, Resolution 815 brings into question the essence of the Vance plan, which resulted from an agreement reached by several sides and it cannot be now changed unilaterally."

The Yugoslav foreign minister voiced the conviction that the Vance plan should be given priority over Resolution 815. "The Vance plan is the original document, and the author of the plan, Cyrus Vance, ought to remove inconsistencies between the plan and the resolution," Jovanovic said, stressing that negotiations were the only way to solve problems.

As far as the other controversial resolution is concerned, it was not received with great surprise by the political and diplomatic circles in Belgrade. As stressed, something similar was to be expected on the eve of tomorrow's session of the Serb republic assembly to be held in Bileca. This is in fact a deliberate attempt to pressure the Assembly into accepting the Vance-Owen plan on the division of Bosnia-Herzegovina into 10 provinces.

The same circles assess that the United States, which contributed most to the adoption of Resolution 816, wanted "to redeem itself" in this way for what it promised to Bosnian President Alija Izetbegovic in order to get him to sign the Vance-Owen map on the division of former Bosnia-Herzegovina.

In such circumstances, it would not be surprising if the United States, that is the Security Council, were to decide to adopt a last-minute resolution on the tightening of sanctions, these circles stress. Such a decision would be also aimed at putting pressure on [Bosnian] Serbs on the eve of their Assembly session tomorrow.

If this were to happen, then it would be quite clear that neither Americans nor the Security Council take seriously [Bosnian Serb leader] Radovan Karadzic's warning that he would withdraw from the negotiations on Bosnia-Herzegovina if new sanctions were to be imposed or existing ones tightened against the Federal Republic of Yugoslavia.

FRY Agrees To Take Part in War Crimes Hearing

AU3103165293 Paris AFP in English 1647 GMT 31 Mar 93

[Text] The Hague, March 31 (AFP)—Rump Yugoslavia has accepted to testify Thursday [1 April] before the United Nations' International Court of Justice at a first hearing on complaints raised by Bosnia-Herzegovina, informed sources said Wednesday.

Yugoslavia, which is made up of Serbia and Montenegro, will be represented by its charge d'affaires here, Ljubinko Zivkovic, and Israeli jurist Shaptai Rossene.

Legal experts said Rossene, a renowned international law expert, was a specialist in terrorist affairs.

Bosnia-Herzegovina will be represented by its ambassador to the United Nations, Muhamed Sacirbey, and U.S. legal expert Francis Boyle of the University of Illinois.

The decision by Belgrade came at the last possible moment after the court failed to put off the first hearing av Belgrade's request Tuesday.

Bosnia-Herzegovina put the issue of "genocide" at the hands of Bosnian Serbs before the court on March 20 and called for six emergency steps to be taken. They comprised pressure on Serbia to put an end acts of genocide and recognition that Bosnia-Herzegovina has the right to defend itself, ask any foreign nation for help and obtain arms, materiel and troops from other countries.

The court's verdict is expected for around April 8.

Zhulali Assesses Results of NATO Meeting in Brussels

AU3003203593 Tirana Radio Tirana Network in Albanian 1730 GMT 30 Mar 93

[Arben Karapici report on statements by Defense Minister Safet Zhulali—recorded]

[Text] [Announcer] Defense Minister Safet Zhulali returned home today after participating in a NATO defense ministers meeting. Arben Karapici reports.

[Karapici] This meeting discussed the opportunity of expanding cooperation between NATO member countries and their partners outside the alliance. The meeting analyzed the results achieved so far in cooperation and discussed ways and means to strengthen this cooperation, Defense Minister Safet Zhulali said on arrival at Rinas Airport.

[Zhulali] The meeting also discussed the situation in the region. It was stressed that we should make every effort to prevent the spread of the conflict to the south and simultaneously in all flashpoints. It is necessary to integrate the armies of all the partner countries with that of democratic Albania as soon as possible.

On behalf of the Albanian delegation, I gave a speech at the meeting. I spoke about the reform of the Albanian Army, Albanian defense policy, and the results of this policy. I also spoke about Albania's concern over Kosova and how we think to solve the Kosova problem, which is of course worrying all the countries, because the ignition of a conflict in Kosova would mean the start of a new war in the Balkans, and perhaps even beyond.

[Karapici] Mr. Zhulali said that the Brussels meeting was a good opportunity to meet and talk with many personalities, such as NATO Secretary General Manfred Woerner and NATO Military Committee Chairman Richard Wilson. They welcomed the decision by our Defense Council to restructure the Army and relegate it to an army in its barracks, stressing once again the full support that the Atlantic Alliance gives to this restructuring.

[Zhulali] The most important speech given at this meeting was that of the U.S. representative, the U.S. deputy secretary of state for defense, as the secretary of state was ill and could not participate. This speech was received with much optimism by everyone because, besides discussing ways of expanding cooperation among the armies, it fielded the idea of further expanding NATO, something which particularly interests us.

[Karapici] The most important meeting, which Mr. Zhulali said lasted for about an hour, was that with the U.S. deputy secretary of defense. This high ranking U.S. military official expressed interest in the present state of the restructuring of our Army. Our defense minister also held separate meetings with his Italian counterpart Salvo Ando who, Zhulali said, invited him to visit Italy on 21 April. The meeting with Turkish Defense Minister Nevzat Ayaz confirmed once again the close relations of cooperation and assistance. Mr. Zhulali also cites as meetings of special value those he held with colleagues from Germany, Great Britain, Hungary, and Bulgaria. The Bulgarian defense minister invited Mr. Zhulali to visit Sofia next week.

[Zhulali] Separate states that constitute NATO have taken instructions to help Albania and many of them have agreed to help.

Zhulali, U.S. Commander Discuss Cooperation

AU0104092493 Tirana Radio Tirana Network in Albanian 1430 GMT 31 Mar 93

[Report by Arben Karapici]

[Text] The mission of the U.S. frigate, USS Kauffman, is peaceful and its presence is meaningful for Albanian-U.S. relations at the present moment, Defense Minister Safet Zhulali told the U.S. Commander James.

During a courtesy meeting held at the Defense Ministry, Zhulali assured the high-ranking U.S. officer that Albania will grant all port facilities for U.S. warships that patrol Adriatic waters on surveillance missions. Our defense minister considered a U.S. presence in the Adriatic as support and assistance for Albania. Zhulali said that, in the United States and its military presence, we see an important element of security for Albania. The frigate's arrival strengthens the military cooperation between the two countries and is an implementation of the increase in this cooperation at a higher level. Zhulali felt the arrival of the U.S. frigate in Albania, coming directly after the meeting of the NATO defense ministers, to be an expression of the opportunities for cooperation that the meeting, and Albania's presence there, created.

Meanwhile, James expressed his pleasure at coming to Albania and said it was something special for his crew. The order for the USS Kauffman to pass from the Mediterranean into the Adriatic placed before us an important task, he said to Zhulali.

The frigate's commander asked Zhulali that Albania offer its assistance and cooperation. I am doing this in the name of the United States of America and our 6th Fleet in the Mediterranean, James stressed, leaving the emblem of the frigate he commands as a sign of his presence.

After this friendly meeting, which military experts assessed as very meaningful at the present time, our defense minister visited aboard the U.S. frigate, where he became closely acquainted with the warship and its crew.

Later Zhulali and James had a working lunch together.

Trade Ministry, FRG Delegation View Economic Situation

AU3103200193 Tirana ATA in English 1818 GMT 31 Mar 93

[Text] Tirana, March 31 (ATA)—Talks were held between the delegation of the German Federal Ministry of Economic Cooperation headed by Mr. Schvraiger, ministerial director for technical and financial cooperation, and the Albanian delegation headed by the Minister of Foreign Trade and Economic Cooperation Artan Hoxha. They focused on the situation of the Albanian economy during the period of transition, the policy followed by the Meksi government in implementing the economic reform, the ongoing achievements, the policy followed in relation to inflation, currency stability, and legislation.

During these talks they also made a balance sheet of the financial and technical cooperation for 1988-1992, which is estimated at 107 million Deutsch marks, of which 60 million Deutsch marks for financial cooperation and 47 million Deutsch marks for technical cooperation. Until now there have been realized 17 million Deutsch marks and are underway all the projects included in the respective ones. Regarding economic cooperation for 1993, the German party accorded beforehand about 48 million Deutsch marks, of which 35 million Deutsch marks will be used for financial cooperation (for agriculture, public service infrastructure, aqueducts, etc.) and the others for technical cooperation (in the sector of oil, professional education, etc.). This year, as against the previous year, the sum accorded has doubled. In this meeting, the German party expressed the conviction that the relations between the two countries will expand further.

Tanks Reportedly Move Toward Northeastern Border

AU0104073893 Lezhe KOHA JONE in Albanian 24 Mar 93 p 2

[Unattributed report: "Dozens of Tanks Toward Northeastern Border"]

[Text] For three days, a relatively large number of tanks loaded on big SCANIA trucks were transported to the north of Albania. No report or official announcement was given about this movement of tanks. Why were these tanks sent toward the Albanian-Serbian border?

We remind you that this action was undertaken several days after foreign reporters inspected Albania's northeastern border. Thus, foreign reporters had no opportunity to indicate the presence of the Albanian Army tanks in their reports.

Meksi Briefs Brazilian Ambassador on Reforms

AU3103140193 Tirana ATA in English 0818 GMT 31 Mar 93

[Text] Tirana, March 31 (ATA)—On March 30, Premier Aleksander Meksi met at his cabinet Orlando Soares Carbonar, ambassador extraordinary and plenipotentiary of Brazil in Albania.

Mr. Meksi briefed the Brazilian ambassador on the reforms in Albania, the work of the government to draft a contemporary legislation to contribute to the ever better function of the juridical state and the international activity of the democratic government. He expressed his readiness for the concrete development of bilateral relations in different areas. It is important to us to find the ways for this cooperation, said Mr. Meksi.

On his part, the Brazilian ambassador underlined that Brazil is ready to give a fresh impulse to the relations with the Republic of Albania.

They also concentrated on the situation in former Yugoslavia and the Balkans.

Prime Minister Discusses Balkan Affairs

AU3103173593 Sofia OTECHESTVEN VESTNIK in Bulgarian 24 Mar 93 p 1

[Interview with Prime Minister Lyuben Berov by G. Alexandrou, correspondent of the Greek daily THESSALONIKI; place and date not given: "'Yes' to the European Community of Eastern Orthodox Countries"]

[Text] Lyuben Berov, prime minister of Bulgaria, gave his first interview to the Greek daily THESSALONIKI immediately after taking over his post at the end of December 1992. Today, the Bulgarian leader is giving some additional explanations on his position to our special correspondent G. Alexandrou. Mr. Berov's views, if examined in the light of [Turkish President Turgut] Yozal's recent Sofia visit (a visit from which Bulgarian prime minister distanced himself by refusing to meet the Turkish president), are of great interest to Greece. This applies in particular to the Skopje problem (Macedonian problem—editorial note), to cooperation on defense, to relations between Bulgaria and Turkey, and especially to the establishment of a common market of all Eastern Orthodox states. Evidently, this particular idea is becoming increasingly popular among Balkan leaders, as a counter-balance to the Vatican's anti-Orthodox strategy and the so-called Muslim "strategic arc."

[Alexandrou] Prime Minister, I would like first of all to discuss the development of Bulgarian-Greek relations with you. In Greece, the conviction prevails that relations between our two countries were gravely affected by some actions of your country's former government. What is your opinion about the former government's policy on this issue and what are you planning to do to improve relations, if anything?

[Berov] As you know, it is inappropriate for a new government to express disparaging views about its predecessor. Naturally, some errors were made. However, as far as the question of how to put them right is concerned, we shall need some time. This can happen only after the Greek foreign minister's visit to Bulgaria, or after my return visit to Greece, expected in the near future.

[Alexandrou] Everyone in Greece has been talking about an alliance between our two countries, or, as we characterize it, the Athens-Sofia axis. Even today many Greeks advocate an intensification of our mutual relations based on such principles. What are your intentions in this respect?

[Berov] We should not only look to the past. We are optimistic about the future, because our two nations have numerous things in common. I am talking about our common interests in that neither Greece nor Bulgaria has any territorial claims on the other. I am convinced that we have a common approach with Greece even on the question of "Macedonia." Naturally, certain differences exist regarding the name. However, they should not be dramatized. We do not attach excessive importance to this particular problem. It is our conviction that this issue should not be over-dramatized. This problem should only concern bilateral relations between Greece and "Macedonia." As far as our economic relations are concerned, I think that we have many common interests in this respect, such as the question of the River Mesta waters, and also opportunities to export Bulgarian goods through the Mediterranean port of Kavala. I am also convinced that advantageous opportunities for Greek investment exist in Bulgaria, not only in the tourist sector, but also in other economic spheres. Furthermore, we have another common interest, namely that we have become fraternal countries as members of the EC, although you are a full member, while we are expecting to become an associate member in the near future. Nevertheless, EC membership also involves some problems and I am well acquainted with the problems of Greece stemming from its EC membership, because I have been a member of the Balkan Studies Institute for the last 25 years, during which I closely watched developments in Greece and the problems which your country has to cope with as an EC member.

[Alexandrou] I would like to dwell on the so-called Macedonian question, namely as regards the Skopje republic, as a matter of fact. I know that article 49 of their constitution is directed against Bulgaria as well. Do you intend to adopt any measures aimed to amend this article? I cannot forget that only two days ago I saw posters with the slogan "Macedonia for the Macedonians!" in some Southern border towns. Does this slogan imply aggressive intentions against your country as well? In addition to this, what is your opinion on the most urgent method of solving the crisis in Serbia? In your opinion, is international intervention under the aegis of the UN only a theoretical possibility, or a practical necessity?

[Berov] As far as Serbia is concerned, we have no plans for any military or other kind of intervention whatsoever. We do not intend to break up the centuries-old, good relations with our neighbor Serbia. Now, as regards article 49 of the Macedonian constitution, I quite understand the point of your question. Nevertheless, we do not wish to deprive any nation of its right to feel as it wishes. I think that we should not overestimate the popularity of the name Macedonia as such, or its application in the case of the older generations. As far as the younger generations are concerned, certain feelings dating back to the Tito era may exist. Nevertheless, as far as the older generations of that country (meaning Macedonia—editorial note) are concerned, I do not think that they widely support the idea. Hence, Macedonia has no territorial claims on either Bulgaria or Greece.

[Alexandrou] The term "Eastern Orthodox strategic arc" is beginning to gain popularity among intellectual and political circles close to the power centers in Greece. Many people increasingly regard this idea through the prism of the requirement to build some form of alliance

of Eastern Orthodox states. Others even go further and talk of a sort of "common market" of the Eastern Orthodox countries (such as Armenia, Ethiopia, Bulgaria, Greece, Cyprus, Romania, new Yugoslavia, Moldova, Russia, Ukraine, Belarus, and Georgia), namely they are reflecting on the idea of creating a free trade and free market zone among these countries by opening their borders to the exchange of goods and ideas. What would you say about all this, namely about the existence of an "European community of Eastern Orthodox countries?"

[Berov] I think that this idea which you have just elaborated upon, namely the idea of establishing a common market of all Eastern Orthodox countries, is a very interesting and promising one.

[Alexandrou] Yes, but could Bulgaria join such an initiative, after supporting certain schismatic religious circles which oppose the Orthodox patriarch (meaning the Bulgarian Patriarch Maksim—editorial note), who is supported by the other Orthodox churches, on the one hand, and on the other hand, after recently signing a military cooperation treaty with Turkey, thus establishing an alliance with Turkey without doing at least the same with Greece?

[Berov] As regards the links between church and state, there has been considerable interference in church affairs by the state in the past, and I am afraid that this situation involved certain negative results which affected the authority of the church. We would like to rule this country in a manner that precludes any intentions of future interference into the affairs of the church. As far as military cooperation with our neighbors is concerned, I am convinced that there are no obstacles whatsoever to the development of military cooperation between our country and Greece in the same way in which military cooperation is developing between Bulgaria and Turkey.

Japan Agrees on Debt Rescheduling Plan

AU3103155593 Sofia BTA in English 2003 GMT 30 Mar 93

["Today"—BTA lead]

[Text] Sofia, March 30 (BTA)—On behalf of Bulgaria's Bank Advisory Committee [BNK], Mr. Petur Tiels, the Deutsche Bank director in charge of the debt structure negotiations, has come up with a proposal for a 38 percent write-off of the Bulgarian foreign commercial debt, Radio Free Europe [RFE] reported today. Mr. Boente, the Deutsche Bank spokesman, told RFE that the proposal was the result of a meeting between officials of the BNK and a Bulgarian delegation in Frankfurt last week. The radio said that the latest Bulgarian proposal, tabled in November 1993, urged for a 75 percent write-off. The banks were waiting for Sofia's reaction to their proposal, which could be expected within four to six weeks. Quoting a Deutsche Bank official, Radio Free Europe dismissed as untrue Bulgarian media reports that the Western banks were prepared to offer the previous Bulgarian Government a 70 to 80 percent write-off of this country's commercial debt (reports to this effect appeared in today's DEMOKRATSIYA and OTECHESTVEN VESTNIK).

The Governments of Japan and Bulgaria have reached an agreement on debt-relief measures (debt rescheduling) on the basis of a multilateral agreement signed in December 1992 within the framework of the Paris Club. Notes to this effect were exchanged here today between Mr. Buheita Fujuwara, Japanese ambassador to Bulgaria, and Mr. Svetoslav Gavriyski, deputy minister of finance of Bulgaria. The Bulgarian Foreign Trade Bank will repay its debt to the Export-Import Bank of Japan in eight equal semi-annual installments, beginning in August 1999. "This is the second debt-relief measure taken by Japan for Bulgaria," the Embassy of Japan said in its information bulletin.

Diplomats of 25 countries accredited to Bulgaria today paid a visit to the American University in Blagoevgrad, southwestern Bulgaria, at the invitation of the university president, Prof. Michael Orendorf, and the US ambassador in Sofia, Mr. Hugh Kenneth Hill. They were familiarized with the condition for work and study in that higher educational establishment, the only one of its kind in Eastern Europe. Its current enrollment consists of over 400 Bulgarian and a small group of foreign undergraduates.

President Zhelyu Zhelev today received Agriculture Minister Georgi Tanev and his deputies at their request. Mr. Tanev informed Dr. Zhelev that 15 percent of the farm land was restituted by March 2 and that another 70 percent will revert to its rightful owners until the end of the year.

National Assembly Chairman Aleksandur Yordanov today received Mr. Lars Marcus, president of the International Cooperative Alliance, who is in Bulgaria for talks on the future of the Bulgarian Cooperative Movement. Asked by his guest what else can be done for Bulgarian cooperatives, Mr. Yordanov said that more foreign investment is needed and the formation of joint ventures should be encouraged, the Parliament Press Office reported.

Mr. Yordanov also received Ms. Nancy Davenport and Ms. Mary Ellen Callaghan of the US Congress Research Centre. They outlined the areas in which the educational programmes of the centre's department dealing with the development of parliamentary institutions in Eastern Europe could help the Bulgarian National Assembly improve its law-making performance and raise the professional level of its staff.

At its regular sitting today, parliament passed the Copyright Act on second reading and opened a first-reading debate on a blood donation and use of blood and blood components bill.

At its meeting today, the chairman and deputy chairmen of the National Assembly decided that parliament will take an Easter recess between April 19 and 27. In the

three weeks until then, the plenary sittings will proceed with the priority law-making programme and will speed up the rate of ratification of international treaties, conventions and protocols.

A delegation of the Allied Air Force Southern Europe, led by its commander, Lieutenant General Joseph Ashe, left Bulgaria today after a three-day visit paid at the invitation of the chief of General Staff of the Bulgarian Army, Army General Lyuben Petrov. "We established friendly ties between the air forces of NATO and Bulgaria," General Ashe told BTA before his departure.

The National Electricity Company and Germany's RWE signed an agreement on cooperation in electricity production and marketing, BTA learnt from the Electricity Company's Press Centre. A coordinating committee will be set up, comprising two representatives of either party to the agreement. The German partners expressed willingness to invest in Bulgarian power generating facilities and to share in their operation.

The Agriculture Ministry has added 12 enterprises in farm mechanization and technical services to the 26-item list of units subject to privatization within the ministry's competence, reporters learnt at a news conference today.

After today's regular meeting of the National Coordinating Council (the top decision-making body) of the Union of Democratic Forces (SDS), SDS leader Filip Dimitrov told the press that topical issues of the current political situation had been on the agenda. The council mapped out the union's future actions in line with the resolutions of the SDS national conference held two weeks ago, Mr. Dimitrov said without elaborating. The SDS national conference declared itself in favour of early parliamentary elections.

After week-long warning effective strike actions and daily blockades of two of the road arteries leading out of the city, tomorrow pig-breeders in the area of Ruse will move their protest to Sofia in front of the National Assembly building. The farmers protest the failure of the government and parliament to help pig-breeding out of its deep crisis. The protesters are planning to take along a truckload of 30 scraggy starved pigs.

There are no lines of vehicles waiting at the Bulgarian terminal of the ferry service at Vidin on the Danube. On the Romanian side at Calafat, however, there is an enormous queue of automobiles. A car has to wait approximately 20 hours to clear the Romanian border checkpoint, said the chief of the Vidin customs post Mr. Slavcho Georgiev.

The members of the EC monitoring mission observing Bulgaria's Western border visited the Vidin checkpoint to get familiar with the clearance regulations. They found that the crossing operates normally and trouble-free.

Powdered milk worth 546,000 Austrian schillings, sent by the Austrian Red Cross, arrived here today. The humanitarian aid shipment is destined for 44 welfare institutions in Bulgaria, prioritizing orphanages.

A national conference on the theory and practice of social reformism and trade unions will be held in Blagoevgrad (southwestern Bulgaria) on April 24 and 25. It will be organized by the Bulgarian Social Democratic Party and the two major trade union amalgamations, the Confederation of Independent Trade Unions in Bulgaria and the Podkrepa Labour Confederation. The participants will discuss the economic reform in Bulgaria, social policy and the reform of social affairs.

Industry Minister Alleges Arms Firms Privatized

AU0104085493 Sofia DUMA in Bulgarian 26 Mar 93 p 1

["DUMA PRESS" report]

[Text] According to a report, Industry Minister Rumen Bikov told the Parliamentary National Security Commission on 25 March that at least seven associations had been formed in the arms industry with foreign participation. He is reported to have then made the amazing disclosure that this constituted a hidden privatization behind the government's back.

The commission is said to have carefully corrected Bikov by pointing out that if a military firm produces electric shavers in cooperation with a British company, then this constitutes conversion and the attraction of foreign capital, about which there has been so much weeping and wailing lately. Bikov said that what he meant by deals behind the government's back was, for example, preparation for privatization by allowing a Bulgarian firm to lease a defense plant with an assignment in the event of mobilization, with the contract containing a clause allowing the company to purchase the plant in a year's time at old prices.

Parliament Ratifies Loan Agreements With Sweden

AU3103203193 Sofia BTA in English 1915 GMT 31 Mar 93

[Text] Sofia, March 31 (BTA)—Parliament today passed an act on the ratification of two loan agreements: One with Svensk Export Credit for ECU 14.5 million, guaranteed by Sweden, the other with export finance for 13 million dollars, guaranteed by Norway. Both agreements were signed in Sofia on December 7, 1992.

The agreements were signed in compliance with a G-24 decision to help Bulgaria carry out the reforms aimed to modernize its economy and make its currency convertible.

The loans will be used to stabilize Bulgaria's balance of payments, which will allow to allocate funds for medium-term encouragement of economic growth.

World Bank Project To Invest in Education

AU3103184993 Sofia BTA in English 1553 GMT 31 Mar 93

[Text] Sofia, March 31 (BTA)—The World Bank is drawing a project to invest in Bulgarian education. The scheme, to be effected over five years starting 1994, will cost 65 million dollars, according to preliminary estimates, Project Manager Anthony Willer of the World Bank's Washington headquarters told a press conference today.

The project targets four priority areas: establishment of a National Test-Preparation Center, provision of funds to write and circulate textbooks, development of a vocational guidance system and establishment of two funds to assist scientific research and high education, the official said.

The National Test Center will work out grading criteria and set up an examination system. The project envisages to appoint a specialist with every secondary school to provide vocational guidance. The two funds would finance innovative and efficient projects at higher education establishments and help young research workers conduct practice-oriented research, he said.

Working teams with Bulgarian experts are being formed in all four areas, Mr. John Wilton, leader of the World Bank mission to Bulgaria, said.

Asked by a BTA reporter about the stage of development of the project, Mr. Willer said a fact-finding mission has completed a preliminary assessment and a detailed strategy has been worked out. A mission in July will make a detailed assessment of the project. After the final version is approved at the World Bank Washington headquarters, talks on a specific agreement will start. The World Bank Board of Directors should approve the agreement in February 1994 and send it for approval by the Bulgarian Government and parliament, the official said.

The World Bank is working on three schemes in the social field. Beside the project in education, the bank is drafting public welfare and employment and health care schemes, Mr. Wilton said.

Slovenian Diplomats Hold Talks in Sofia

AU3103155293 Sofia BTA in English 1137 GMT 31 Mar 93

[Text] Sofia, March 31 (BTA)—The Ministry of Foreign Affairs of Bulgaria and the Ministry of Foreign Affairs of Slovenia held political consultations at the level of experts in Sofia today. The delegations of the two ministries exchanged information about their countries' political activity and views on the Yugo-crisis, paying special attention to the developments in Bosnia-Herzegovina. The delegations considered the prospects of bilateral relations and cooperation, pointing out the necessity of providing their promotion with a legal framework the soonest possible.

Slovenia's delegation was received by Deputy Minister of Foreign Affairs Dimitur Ikonomov, the Foreign Ministry's Press Service informed.

Havel, Slovak President Hold Talks in Prague

Kovac Makes Statement

LD3103205893 Prague Radiozurnal Radio Network in Czech 1301 GMT 31 Mar 93

[Statement by Slovak President Michal Kovac at a joint news conference with unidentified news correspondents following meetings with Czech President Vaclav Havel at Prague Castle—live in Slovak]

[Text] Good afternoon. Please allow me to state that this historic visit was successful and very useful. It was our greatest wish also to confirm by this visit the longevity and the unchangeability of our political will to maintain and to develop Czech-Slovak coexistence [vzajomnost], as well as the relations between the Czech and Slovak Republics, and to bring a new quality to these relations. This visit has resulted in specific results in the form of concrete resolutions.

As for the talks held with the president, we not only clarified our standpoints on such issues as the incorporation of our republics into European political, security, and economic structures, but we also clarified the interest of both republics in assisting one another in becoming incorporated into these structures. We have clarified our role in the Visegrad Group and its relation to the incorporation into European structures.

Last but not least, I was very pleased to hear the statement by the president that the Czech Republic was not interested in recreating some sort of border along Czech-Slovak borders that would divide Slovakia from the European part of the continent.

This is very important also for the strengthening of mutual trust. Our specific agreement on regular meetings has to be perceived in this spirit. As we told you yesterday, we agreed that we would meet three times a year. However, if the situation requires more frequent meetings, we can hold talks any time.

I think that this is one of the important concrete results. Moreover, I would like to mention with gratitude the fact that the Office of the President of the Czech Republic is helping us in setting up our office. I have just learned that another agreement on specific cooperation has been concluded.

We held talks, as you certainly know, on the issues of property settlement as well as the issue of the joint border regime. We made progress in this area in the sense that what we agreed upon with the president was dealt with in detail now in talks with Prime Minister Klaus, namely that the finance ministers will continue intensive talks so that all pending issues relating to the signing of the main agreement on the division of assets, as well as to the complementary agreements, are resolved as soon as possible. The matters could be finalized to the extent that the specified issues would be ready for signature by ministers, and other issues would be elaborated for talks between prime ministers.

By way of an introduction, that is all. Thank you.

Havel Makes Statement

LD3103211393 Prague Radiozurnal Radio Network in Czech 1301 GMT 31 Mar 93

[Statement by President Vaclav Havel at a joint news conference with unidentified correspondents following meetings with Slovak President Michal Kovac at Prague Castle—live]

[Text] I think that President Kovac's visit is not just a nice gesture, or a matter of mere protocol, or just a visit that should serve as a mere general symbol of the closeness of our two republics and their good relations since the separation of our common state. No, I think that this visit—albeit a short one—had concrete political content and concrete political results, results that have been mentioned by President Kovac.

It seems that, following this visit, there is hope that the still unresolved questions that at this moment appear to burden relations between the Czech and Slovak Republics could be sorted out very soon to the satisfaction of both republics. The Czech Republic adheres to one fundamental underlying notion, namely the idea that these relations must be solved comprehensively because all these affairs are interlinked in various ways. It seems that the Slovak side is aware of the necessity and urgency of such a comprehensive solution and is determined to sign the main agreement, as well as the subsequent ones, as soon as possible. By doing this, the main problem remaining between our republics would be removed.

I am very pleased that bilateral negotiations between ministers, as well as between the president and our prime minister, proceeded as a continuation and a follow-up of the negotiations we held yesterday and in much the same spirit. Likewise, I am very pleased that it has been possible to give concrete form to the issues we discussed yesterday.

As for the border issue, I think that there is hope here for an early agreement. I have the impression that the Slovak side understands the necessity of the existence of both the border and border crossings; that it also understands that the Czech side is not interested in anything that would complicate contacts between citizens of our republics; and that, in principle, these contacts should be in a class of their own [nadstandartni]—i.e., citizens of the Czech and Slovak Republics should have absolutely free movement over the border. The question as to what means of identification they will carry is a secondary and technical issue.

As the president has already mentioned, we clarified to each other the wider questions of the long-term orientation of our republics and our attitudes to the various integration processes in Europe. I have come to the

conclusion that on many points our stances are identical and on many others very close.

In conclusion, perhaps I should say that I am glad that President Kovac honored his promise that his first foreign visit would be to the Czech Republic. I am pleased that this visit has materialized so soon. No doubt it was not an easy task for the Slovak side since the presidential office is still being consolidated and has only begun its work. I trust that the contacts agreed here will continue.

Havel, Kovac Give News Conference

LD3103223293 Prague Radiozurnal Radio Network in Czech 1301 GMT 31 Mar 93

[Joint news conference by Czech President Vaclav Havel and Slovak President Michal Kovac with unidentified correspondents at the Prague Castle—live]

[Excerpts] [Unidentified moderator] May I thank President Havel and ask you to present your questions now. [passage omitted]

[Unidentified correspondent] I have a question for President Kovac. Did you expect that your visit would help to resolve matters relating to the division of assets? You did arrive here, as you said in an interview, with the proposal that the agreement be signed as it had been initialled. Does it mean that during the lunch with Prime Minister Klaus today you came to agreement, or that the ministers authorized to do so will draft the new wording of this agreement?

[Kovac] Our minister was authorized by the government to sign those—let us call them tentatively—those complementary agreements that form an important part of the main agreement. The prime minister is of course authorized to sign the main agreement on the division of property in line with the Law on the Division of Property.

If the Czech Government authorizes the Czech minister of finance, then the number of nine or 10 remaining agreements can be signed by finance ministers. The main agreement could be signed by prime ministers only. If not, then there is nothing preventing the prime ministers from signing all the agreements.

[Havel] I would like to add that the general agreement in some of its articles refers to the fact that certain matters will be resolved by those partial agreements. That is why the Czech side was interested in signing all these things at the same time, i.e. the big and the partial agreements, since it is being perceived as one whole package. [passage omitted]

[HALO NOVINY correspondent] Could you please briefly characterize your present mission in relation to the Czech Republic. That is one question.

Second, you have mentioned Visegrad. As far as I know, Prime Minister Klaus, together with the government, are not very much in favor of our becoming a component part of the Visegrad Group. Can you tell me, how did you clarify these matters, since you literally said that you had mutually made clear your stances on some matters relating to Visegrad. What is the essence of that clarification? Thank you.

[Kovac] I tried to explain my present mission in my introductory statement. It is to demonstrate that even after two sovereign states were created following our split, we do declare and we take specific steps to continue good neighborly and friendly relations between the Czech and Slovak Republics. [passage omitted]

As for the second question. It has become clear to me that as for the Czech Republic's participation in the Visegrad Group, the matter involved does not mean any kind of unwillingness to work in the Visegrad Group. It is rather the Czech side insisting that since the free trade agreement was concluded, practical steps should be taken to carry out and extend the mutual trade between Visegrad Group member countries; i.e., that the cooperation of the Visegrad Group should be demonstrated in practical acts. It should not be demonstrated merely by some kind of meeting that declares the fact of belonging to the Visegrad Group just for its own sake. [passage omitted]

[MORAVIAN-SILESIAN DAY correspondent] Did you consider during your talks the possibility of setting up a consulate in Ostrava, and if not, what is the view of the Slovak side?

[Havel] During the talks in which I took part we did not mention this topic.

[RUDE PRAVO correspondent] Following your working lunch today, Mr. Klaus expressed the conviction that an agreement on the division of property could be signed up to 15 April. Do you believe it as well, Mr. President?

[Kovac] Yes, I do.

[NARODNA OBRODA correspondent] Was this visit an impulse for the situation in Czechoslovakia to move forward from square one? And second, President Kovac: Did you feel like you are visiting abroad? President Havel: Did you accept this as a visit from abroad?

[Kovac] The fact that there exists some misunderstandings as to further continuation in the matter of the division of property was not an impulse for this visit, because during the current visit we came to quick agreement, and regardless of this situation, we wanted to carry out the visit. Naturally, this visit has thus acquired a different, more working character, which is very important. We did not hesitate to touch upon all the open questions, we talked about them quite openly and it was important because we also came to explanations for some viewpoints, as well as certain conceptual conclusions that I do not wish to repeat.

[Havel] Well, I should like to add that the meaning or the main contents of the visit was to have a word about long-term questions, about questions of our future coexistence, about the questions of our foreign political orientation, the character of our relations from the long-term viewpoint. My task during the visit was not to discuss topical problems, or rather it was not the main task of the visit. Nevertheless, it seems to me that the agreement that occurred in the global questions and general questions contributed also toward there being a step forward in discussing the actual question and that, in this sense, a certain impulse to our executive organs was given to complete the solution of the topical questions. It is perhaps a question aimed at myself—whether I accepted a visit from abroad. All the internal parameters of this visit corresponded to the standard state visit of a foreign guest. That is one side of the coin. The second thing is that we understand each other; we do not need interpreters; we know each other; we both held high federal posts in the common state; we had talks before; these relations are truly specific and somehow, go beyond the character that any other state visits have in their content.

[Kovac] The outward demonstrations of entering another state, naturally, are obvious so there is no need to talk about them. But my feeling is good, and I would say I expressed this when meeting people, that I feel at home here.

[Martin Rinka, LIDOVA DEMOKRACIE correspondent] President Kovac, following your visit to Prague, has your view on suspending shares of Slovak investment coupon holders by the Czech Government changed in some way?

[Kovac] We agreed to resolve the whole matter by signing agreements. For the time being, I feel satisfied and I regard this question as dramatizing, inflating, and superfluous.

[UJ SZO correspondent] May I ask President Kovac what foreign trip he plans following his visit to the Czech Republic?

[Kovac] It has not been determined yet. There is, however, one special trip and that's a trip to the United States. President Havel is probably getting ready to go, too. We have been invited to take part in the opening of the Holocaust Museum. I have accepted this invitation and the trip is being organized. [passage omitted]

[Beranek, SVOBODNE SLOVO correspondent] My question is addressed to President Kovac. According to the latest opinion poll, you have become the most popular personality in Slovakia. Could you tell us yourself which of your actions have swayed Slovak public to making this assessment?

[Kovac] I did not analyze it and so at this moment I am unable to give an exact answer to this question. Perhaps since I was elected as a president I had more opportunities appear in public, to give more news conferences. Perhaps that's the reason for it. Perhaps it is my style of negotiating or expressing myself that induces trust in citizens. I simply do not have any deeper analysis. It pleases me, of course, but at the same time it is very binding for me.

[Moderator] The last question. Over there in the rear, if you please.

[Eva Hulkova, Czech Radio] I would like President Havel to say whether he could tell us more about the general and long-term issues that formed the core of your talks.

[Havel] We discussed our republics' approach to the European integrational processes. We discussed the situation in Europe as a whole, as well as regional cooperation. I gave a detailed explanation to the president of our understanding of regional cooperation in the Visegrad Group and in the Central European Initiative. I explained to him that the Visegrad Group emerged in quite a different situation; in the situation when we were freeing ourselves from Soviet domination. We had to pool our efforts to achieve that. We had to pool our efforts to achieve a speedy departure of Soviet troops, the abolition of the Warsaw Treaty, and to demonstrate to the Western world our ability to closely cooperate in this sensitive center of Europe. The fact that this group existed has genuinely contributed to stability here.

Much has changed since then. This group has performed many of its initial tasks and today it is seeking a new identity. It should scale down its actions as an organization or institution. It should give less and less of an impression of being a special club of post-communist countries. It should direct itself at a very concrete cooperation in all aspects where it is advantageous for all its members. There many areas for this cooperation. At issue is not just traditional regional cooperation; what is at issue are also consultations on integration into European structures, on legal code reconstruction and on adapting ourselves to European standards. In this respect we can effectively exchange our experience and help one another.

The Visegrad Group cannot be a body imposing any kind of constraint on its members. For example, each country will be admitted into the European Community when it is ready. It is out of the question that they should wait for each other. But that's not the issue. It should be a less declarative and yet practical and specific every-day cooperation. It should be a consultative and cooperative body.

It was roughly in this sense, to put it very briefly, that we explained to the Slovak side how we perceive the Visegrad Group.

We discussed other organizations and the overall purpose and points of departure of our foreign policy. We said that the vital interest of the Czech Republic was not to become a boundary of stability and democracy—a border region—while on its eastern flank there would be

some rather unknown and peculiar east. We said that this was not in our interest. Our interest is that the Slovak Republic should go in the same direction as we are going, and it is not at all in our interest to draw a line between the Czech and Slovak Republics, a line dividing the East from the West. We discussed this point in greater detail, but this brief information might perhaps suffice.

[Moderator] The time allocated for the news conference is over. Thank you for your attention. Goodbye.

Agreement on Gas Pipeline Signed With Slovakia

LD3103211793 Prague CTK in English 2005 GMT 31 Mar 93

[Text] Prague March 31 (CTK)—Czech Minister of Industry and Trade Vladimir Dlouhy and Slovak Economics Minister Jaroslav Kubecka signed a Czech-Slovak agreement on property settlement and future operation of the gas pipeline in Zidlochovice, South Moravia, today.

The agreement ensures for the Czech Republic a steady flow of 8 billion cubic metres of natural gas from Russia across Slovakias territory.

It establishes that the Czech Republic will pay Slovakia reasonable transit fees on the clearing basis, that is within the payments agreement concluded by the two countries in February.

The agreement also provides for the division of the claimed gas, a compensation for the former Czechoslovak investment in the former Soviet Union. The ratio 2-1 in the Czech Republics favour will be applied in the division.

The gas pipeline and the yields from its operation are divided according to the territorial principle. The measuring and pumping station on the Czech Republics bank of the border Morava River is to be completed by mid-1994.

DSP Chairman: Havel Does Not Speak on Behalf of Nation

LD3103164493 Prague CTK in English 1555 GMT 31 Mar 93

[Text] Prague March 31 (CTK)—Czech President Vaclav Havel does not speak on behalf of the Czech nation in his evaluation of the transfer of Sudeten Germans out of the Czech border region after World War II, said Democratic Work Party (DSP) Chairman Michal Kraus at a press conference here today.

Havel stated at a press conference on Monday that he personally considers the transfer of the Sudeten Germans to be unjust, and said that the criticism of this position by several opposition politicians was an attempt to drive a wedge between himself and the government coalition.

Havel should not restrict himself to general statements as if he were the general secretary of the UN, Kraus said, but should stand up for the interests of Czech citizens and condemn the forceful deportation of Czechs from the Sudeten region before World War II and the violence of the German Fascists, which claimed many victims in the Czech lands during the war.

DSP spokesman Stanislav Krecek rejected the view of President Havel that the opposition is trying to drive a wedge between him and the government coalition, saying that this was impossible due to the president's insufficient level of non-partisanship.

Havel told journalists that he believed it should be admitted that the deportation of the Sudeten Germans was based on the principle of collective guilt, and was therefore morally wrong. He said that although the matter was closed from a legal standpoint, the citizens of the Czech Republic had the responsibility to admit the truth about it.

Dlouhy Discusses Economic Situation

AU3103203393 Prague RUDE PRAVO in Czech 26 Mar 93 pp 1, 25

[Interview with Vladimir Dlouhy, minister of industry and trade, by Vaclav Marek; place and date not given: "I Am In Favor of Lower Taxes"]

[Text] [Marek] You have said recently that within four to five years the tax rate on company profits should be slashed to 30 percent, even at the cost of a budget deficit. Is this your personal opinion or is it the direction the government is following?

[Dlouhy] This is my personal opinion, and I would really be happy if this was the direction of the government's thinking. Of course, there are two types of risks to be considered. Either we have a balanced budget and the budget revenue will be secured, among other things, by a higher rate of tax. However, entrepreneurial activity may become inhibited by that. Or, we can have lower taxes, which may help start economic growth, but the budget may be in slight deficit at the beginning. I can imagine, however, that—disregarding a slight deficit in the budget—lower taxes would help boost economic growth, which would translate into higher overall profits and it would be possible to ensure sufficient revenue for the budget from these. At the very beginning, a deficit would be a certain price to pay for higher revenue in the future. This is the alternative which I would bet on.

[Marek] Does Finance Minister Kocarnik agree with this statement of yours?

[Dlouhy] We have not spoken about it directly, but I would be inclined to believe that his party—the party Kocarnik belongs to—has the same interest in lower taxes in the long-term perspective, as we do.

[Marek] At a recent meeting with company directors—a meeting organized by the Union of Industry—there was an avalanche of criticism regarding the bad situation in industry—money has stopped circulating, firms are not paying their debts, insolvency is increasing, and there are problems with exports. You disagreed, saying that the economy has taken the right course. Was that not too optimistic a statement?

[Dlouhy] Enterprises employing some 5 percent of the Czech republic's employees are in a really bad situation. The situation varies from one industrial sector to the next. Some enterprises in the consumer goods sector are in good shape, others very bad. Metallurgical factories are exploiting relatively good export conditions, heavy mechanical engineering has been hit by problems with sales to the former USSR, etc. Otherwise, I really believe that the situation—as described by some directors—is being overdramatized.

[Marek] Does that also apply to the insolvency of industrial enterprises and construction companies of the Ministry of Industry?

[Dlouhy] It is a well-known fact that along with the decline in production and sales in 1991, their insolvency increased in the reverse ratio. The highest rate of insolvency—accounts payable after the due date—was registered at the end of 1991: 81.9 billion Czech korunas, or on 31 December 1991: 80.4 billion Czech korunas. Since then, insolvency has slightly declined (again, in the inverse ratio to the slight increase in production and sales). By the end of 1992, insolvency reached 63.7 billion Czech korunas, which is 17.8 percent less than at the beginning of 1992.

As far as the organizations of the Ministry of Industry are concerned, it is an important fact that they have not increased their debt with respect to other organizations (outside the sector), and their primary insolvency (difference between accounts payable and to be received after their due date) has been basically stable. In the second half of the year it amounted to between 11.9 billion and 10.6 billion Czech korunas.

[Marek] If there is an enterprise facing problems, ministers blame it on incompetent management. Do you really think that we have inept directors?

[Dlouhy] Look, what is going on in the economy is something like natural selection. It is absolutely natural that in enterprises that are in the worst situation there are likely to be more inept managers than in other enterprises. This is almost a rule. Nevertheless, I would not like to belittle this problem, or simplify it. Some of the enterprises are in a complicated situation, but that is not their fault. The disintegration of the CEMA marker two years ago, for example, can be a reason for that. The management of enterprises are on their own, and in many cases they have shown great abilities.

On the other hand, some of the people in management still believe that the government will intervene. Their idea is that large enterprises should be integrated into larger units. They refer to the situation abroad, saying that it is the way it is there. However, these enterprises abroad were established in a natural way, from below, while in our country they were created because we were forced to adjust ourselves to our plans, that is, plans drafted in the center.

[Marek] Are you not uneasy about the fact that after three years of transforming the economy, the technological level has not changed, and that our manufacturing equipment is obsolete and unable to stand up to competition?

[Dlouhy] This is, of course, our key problem. The innovative capacity of our economy and technology imports were very limited in the last three years. In the medium-term, privatization is creating the conditions for the growth of the technological level. In the short-term, however, this can be counterproductive. Recently, the situation has begun to change, and I am firmly convinced that after the first wave of privatization is over and the private sector begins to grow, demand for imported technology—as well as for domestic high technology—will rise. Direct foreign investment is another important source of technology. Owing to the unclear situation in our constitutional setup, this investment has been impeded. As the stability of the Czech economy improves, foreign investment will become an increasingly important complementary source or new technologies.

[Marek] Will we be able to pay for such imports if our exports remain the same? Massive purchasing of foreign goods may endanger our balance of payments.

[Dlouhy] As I said, foreign direct investments are one of the sources of progressive technology. They do not endanger the balance of payments of the country. Our enterprises will not purchase technology on a "massive" scale. They will have to finance the purchase from their our financial resources, or loans. It is possible, then, to expect a certain pressure on the balance of payments caused by the import of technology, but the fact that it will be private companies—and not central planners—who will mostly decide to import is some guarantee that the import of technology will be efficient. It would be worth considering whether the government should stimulate the import of technology. In a certain period of its development, Japan introduced an interesting indicator: deficit in foreign trade in technology.

[Marek] How are you going to overcome this deficit in the balance of payments?

[Dlouhy] We found a solution in 1992—revenue from tourism, services, etc.

[Marek] You are not going to solve it by devaluing the Czech koruna, are you?

[Dlouhy] Sir, you are speaking about devaluation too lightheartedly. Devaluation, the goal of which is to

improve the trade balance, is an extreme solution. At the beginning of the economic transformation, we unified the koruna's exchange rate, which was devaluation, as far as the enterprises are concerned. Since then, however, our policy has been to keep a stable exchange rate and create favorable conditions for the functioning of our economy. The devaluation of the Czech koruna is an extreme solution, and there are no reasons whatsoever for such a step at present.

[Marek] The least stable element in our trade is Slovakia, now. What development are you anticipating?

[Dlouhy] It can be expected that the decline in mutual trade will not be limited only to the beginning of this year, but it is likely that this trend will continue, particularly in view of the differences in our attitudes toward the solution of economic problems in both republics. According to expert estimates, this decline may reach some 40 percent compared with 1992. I believe, however, that this decline could be much smaller.

[Marek] Your announcement that you expect several holdings to be liquidated raised much controversy. We have had machine engineering colossuses here for years, and now, all of a sudden, we are expected to do something with them? How did you arrive at this decision?

[Dlouhy] I was provoked when only one point in the government's resolutions was singled out: The government has promised. In each resolution, however, this promise was made with some kind of conditions—restructuring, streamlining of the enterprises's measures, etc.

I began speaking about destroying holdings only to issue a clear political signal that I was going to be deaf to the words "the government promised," unless I was certain about what was going to happen to the government's money.

[Marek] The public, too, would like to know what it happening to the government's money. The last decision by the government about bankruptcies—in which the government decided to help some enterprises and not others—raises fears about mistakes, possible corruption, etc. The majority of enterprises will be private, that is, they will be in someone's ownership, and you will save one, but not another.

[Dlouhy] Sir, your paper tends to criticize the government for not intervening in the economy, for not having a policy on energy, industry, etc. But, since you are a decent paper, you have always respected the basic principles of the economy which the government supported—that is, macroeconomic stability, a balanced budget, etc. You should also realize that any intervention by the state at a time of limited resources means that someone will receive something, and another nothing. If you have to set criteria, you always run the risk of subjective decisions with regard to the creation of resources and their utilization. If we feel that state intervention is necessary, then we are aware that we are assuming this risk.

Meciar Promises Kinkel To Triple Border Protection

AU0104085693 Prague CESKY DENIK in Czech 29 Mar 93 p 4

["svo"-signed report: "Slovakia Will Reinforce Border Protection"]

[Text] Bratislava—The Slovak Republic will support Germany in the matter regarding the transfer of the 400,000-500,000 "extraneous" asylum seekers to their countries of origin. According to the Slovak prime minister's words, Slovakia pledged, furthermore, to support the FRG at the planned international conference on the problem of asylum seekers. During the recent visit of the chief of German diplomacy Kinkel to Bratislava, the Slovak side confirmed its readiness to introduce a stricter regime at its borders. "This will mean an increase in the level of protection up to three times, compared with the present level," Meciar said. According to Meciar's words, this will reduce to a minimum the possibility of unauthorized crossing of the borders with Hungary, Ukraine, and Poland." "Hence, it will not be necessary to build a border between Slovakia and the Czech Republic," he added.

Hungarian Parties Press for Apology for Expulsion

AU3103155493 Prague CTK in English 2011 GMT 29 Mar 93

[Text] Budapest March 29 (CTK correspondent)—Czech President Vaclav Havel's statement that the postwar deportation of Sudeten Germans from Czech border regions was morally wrong was welcomed today by Hungarian Christian Democratic Movement (MKDH) Chairman Vojtech Bugar and Egyutteles Chairman Miklos Duray.

The MKDH and Egyutteles are both Hungarian minority parties in Slovakia. The MKDH has five seats and Egyutteles has nine seats in the 150-seat Slovak parliament.

Havel said today that he believed that it should be admitted that the deportation of the Sudeten Germans was based on the principle of collective guilt, and was therefore morally wrong. He said that although the matter was closed from a legal standpoint, the citizens of the Czech Republic had the responsibility to admit the truth about it.

In an interview with CTK in Budapest, Bugar said that the MKDH and Egyutteles were pressing the Slovak parliament to adopt a similar statement regarding the postwar deportation of Hungarians from Slovakia. We are aware that from a legal standpoint it is not possible to rectify everything and financially compensate the afflicted, but it is necessary that the Slovak parliament, which has already condemned the treatment of Germans and Jews during this period, do the same in the case of Hungarians. It is necessary to condemn the violent collective deportation of Hungarians between 1945 and 1948, at least from a moral standpoint. It would not cost anyone anything, nor would it be necessary to make an issue of prestige out of it, he said.

Duray said that it was a topical issue because the regime which was responsible for the deportation had already been overthrown. In the past three years, he noted, laws have been created which attempt to rehabilitate and compensate victims, but the postwar deportation of Germans and Hungarians has been relatively ignored.

Slovak policy continues to fully reject the resolution of this issue and does not want to take a stand on it, not even a moral one, Duray said. The February congress of Egyutteles charged the group's deputies to continue to devote their attention to this issue, he said.

Prominent Businessman Accused of Uranium Trafficking

LD3003221693 Prague CTK in English 1950 GMT 30 Mar 93

[Text] Banska Bystrica, Central Slovakia March 30 (CTK)—On Monday [30 March] Slovak police found about three kilogrammes of uranium with isotopes 235 and 238 in a car in Zvolen, Central Slovakia, police investigator Jan Dedko told CTK.

The land office investigator in Banska Bystrica, Central Slovakia, is prosecuting three people for violating the rulings on handling controlled goods and technologies. All the accused, still at liberty, are punishable with three years in prison.

Banska Bystrica police confirmed that one of the accused was the successful Romany businessman Jan Farkas from Rimavska Sobota, South Slovakia.

According to police information, the seized material comes from Russia. The hygienists confirmed that the uranium contained the mentioned isotopes but in view of the amount the population was not exposed to radiation risk.

The investigator rejected the suspicion that the relocation of the uranium could be connected with the Czech Republic or Germany but he did not mention the destination of the seized uranium.

Uranium with isotope 235 is used after enrichment in nuclear power engineering. Its commercial price is bolstered by the fact that plutonium and neptunium, applied in the armament industry for the production of nuclear weapons, are manufactured from it.

Austrian President Meets With Goncz, Antall

LD3103194593 Budapest MTI in English 1704 GMT 31 Mar 93

[Text] Budapest, March 31 (MTI)—Thomas Klestil, federal president of the Republic of Austria, held talks with Hungarian President Arpad Goncz and Prime Minister Jozsef Antall in Budapest today. Klestil arrived in Hungary at Wednesday noon at the invitation of his counterpart.

The two presidents first held a tete-a-tete consultation, Andras Farago, spokesman of the Hungarian president, said. In the subsequent plenary talks, Goncz noted with satisfaction that the bilateral agricultural talks had come successfully to an end, enabling Hungary to sign an agreement with the European Free Trade Association (EFTA). The Hungarian president also welcomed the beginning of talks on Hungarian labour employment in Austria.

Discussing other topical issues of bilateral ties, Goncz said Hungary would like to receive a greater number of road transit permits from Austria because its western exports have increased recently and several consignments from the Balkans also cross its territory. Since pollution stemming from transit traffic causes much headache to Hungary as well, the two countries should consider launching some common infrastructural projects, Goncz said. On this score, Klestil recalled that recently a committee surveying these problems and the possible solutions had been set up in Vienna, Farago said.

Both sides agreed that commercial and economic relations were free from problems. Goncz welcomed the growing role of inter-company links and the fact that there are already 3,000 Austrian- Hungarian joint ventures with an aggregate basic capital of USD 0.5 billion.

Klestil confirmed that he would encourage the development of direct inter-company links.

The presidents drew a favourable balance of cultural ties, making special reference to the grammar school of Oberwart, in which training is conducted in German, Hungarian and Croatian.

After the meeting, Goncz and Klestil gave a short briefing to Austrian and Hungarian journalists.

Klestil believed that meetings between leading politicians from neighbouring countries could largely promote confidence and stability in the region. Goncz praised the understanding shown at the talks and the identical approach they made to the problems and the possible solutions.

Later on, the Austrian president met Prime Minister Jozsef Antall. The Hungarian prime minister stressed that Budapest and Vienna were making similar approaches to global and regional policy issues, Janos Herman, deputy state secretary of foreign affairs and Foreign Ministry spokesman, said.

Antall saw the strengthening of stability and bilateral and regional cooperation as a common mission of the two countries, aimed at bringing the region closer to Europe.

Klestil said that, during their long, common history, Hungary and Austria had never enjoyed such relations as good as they are today. Klestil stressed the great importance Austria gives to its relations with Hungary. Accordingly, Hungary has been the second country, after Switzerland, that he officially visited in the capacity of president.

It was agreed that relations between Vienna and Hungary are important for Central Europe as a whole. Herman quoted the Austrian president as saying that Central Europe should become an island of stability and security, with the latter concept comprising the issues of ecology and migration, as well as the combat of crime. Antall and Klestil agreed that the features and historical experience of the region constitute a value for Europe as a whole, and help the continent realize existing dangers. In this sense, Austria and Hungary are taking part in international efforts aimed at averting these dangers.

The sides discussed the issues of transit deliveries and the employment of Hungarians in Austria. Klestil pledged to make every possible effort in finding an appropriate settlement to both issues.

Skubiszewski, Germany's SPD Leader Discuss Asylum Law

LD3103204893 Warsaw PAP in English 1946 GMT 31 Mar 93

[Text] Warsaw, March 31—Hans-Ulrich Klose, chairman of the SPD [Social Democrat Party] faction in the German Bundestag, and Poland's Foreign Minister Krzysztof Skubiszewski on Wednesday discussed Polish-German relations and to-date negotiations on asylum seekers in connection with the new German Asylum Law. Klose is heading the SPD delegation, now on a visit to Poland.

Klose emphasized the significance of Polish-German relations for European stability. He said they should be as good as Germany's relations with France.

Commenting on changes in the German Asylum Law, Klose stressed the need to provide Poland with administrative and financial assistance. He believed that a Polish-German agreement concerning migration would pave the way to a European-wide agreement on the issue.

The German delegation met with the Sejm (lower house) Speaker Wieslaw Chrzanowski to discuss Polish-German relations and European cooperation and with representatives of the Union of Labour caucus to hold talks on the cooperation between the two parties.

Ryszard Bugaj of the Union of Labour said that the SPD proposed his party concrete cooperation on the regional level.

"We would like the relation between Poland and Germany to develop as excellently as the German-French cooperation," Chairman of the SPD Bundestag Faction Hans Ulrich Klose told members of the Democratic Union's parliamentary caucus during a meeting in the Polish Parliament on Wednesday [31 March].

According to Klose "nothing can take place in the European Community without the German-French cooperation" while "cooperation between Germans and Poles is a condition for a stable development of the situation in Europe".

The SPD delegation led by Klose was accorded a warm and friendly welcome by the Democratic Union's parliamentarians and their leader Bronislaw Geremek.

The problem of refugees and the new German Asylum Law were also the leading topic of discussion between Klose and Prime Minister Hanna Suchocka.

The date of the introduction of the new Asylum Law in Germany remains a crucial issue since the Polish side must get ready to receive refugees refused asylum in the FRG while the German side is not interested in postponing the matter. Therefore it is necessary to agree the procedure for the transitional period, chairman of the SPD Bundestag faction stressed during the talk.

The Democratic Union parliamentarians who hosted Klose earlier on Wednesday told their guest that the concluded agreement on readmission of migrants into Poland does not put an end to the problem as Poland has yet to be able to meet the agreed decisions. Hence it is necessary for the SPD to further monitor the issue, they said.

Another important issue discussed by the Polish side with the SPD guest today were contracts for Polish enterprises to carry out work in Germany. Foreign Minister Krzysztof Skubiszewski told Klose that the Polish side was interested in preserving such contract and was ready to seek compromise on the issue.

Walesa Interviewed on Reforms, Regional Issues

LD0104100193 Warsaw TVP Television Third Program in Polish 1929 GMT 31 Mar 93

[Interview with Polish President Lech Walesa by correspondent Magda Mikolajczak at the Belvedere Palace in Warsaw on 31 March— recorded]

[Text] [Mikolajczak] Mr. President, our compatriots who live outside our country's borders watch what is happening in our country with great attention and concern. How do you evaluate our reforms? Have we succeeded? After all, the EC has turned away from us.

[Walesa] I will put it this way. We have succeeded in a great deal on a historical scale. Living here and now, however, we have no significant results from this. We have to remember that we bloodlessly overcame a system, a very difficult system. At the same time, that system had a completely different philosophy. This includes economic philosophy. I will not even mention political philosophy because everyone understands that.

This rebuilding is very difficult. That is why it worries the victors that they do not get any use out of this great victory right now. Everyone—even the biggest critics—have to notice, however, that the worst is behind Poland. It still has to survive through this difficult period of fashioning decent, good solutions. That is why it is not true that anyone has turned away from us; it is we—we who specifically make demands—who no longer let ourselves be romantically fooled about some ideas.

In connection with this, those who thought they could indefinitely count on the naivety of Poles now see it will not work. We know what our price is. We know what we are capable of, and we are beginning to make demands. Not everyone likes that.

[Mikolajczak] Mr. President, many Polish expatriates would like to invest in Poland and into Poland, but they are afraid of this risk. Would you say that such a risk exists at all?

[Walesa] Of course, there is always risk. We do not know whether the ceiling and this fairly heavy chandelier here will not fall on top of us.

[Mikolajczak] Oh, no.

[Walesa] So there is always some risk. The world is based on all sorts of risks, and sometimes we exaggerate with all this. I know that many expatriates have been living in the West for a long time, and they are accustomed to these different systems. In our country, this just being created. There is some chaos in the repair of this great mechanism, this great Polish mechanism. That is why I think that they will notice soon that they lost a lot by not coming in earlier, that there are less and less places to come into Poland.

Poland is attractively positioned. Until now, this position had been our curse because the two great powers, Germany and Russia, continually hampered our growing. Now this position is going to be blessed, because it is at the joint. It joins the north, the south, the east, and the west. This position, as I said, is going to be blessed as far as economic effects, economic position, and economic place are concerned.

I am convinced of this. We have to do it all, though, and it is not easy to do.

[Mikolajczak] The fate of the mass privatization program is being decided in the Sejm at the moment. Mr. President, what is the significance of that program for the success of our reforms?

[Walesa] We are a bit behind. The privatization of the states's great assets is taking a bit too long. Today, in fact, logically, we have no choice. We have to agree to the concept already worked out by the government. It concerns 600 plants. We should not interfere here. Let it get under way. Let one type or one kind of privatization function in Poland, and quickly.

On the other hand, seeing the poor Polish society—but one that has privately, individually, a fair number of ideas—one must carry out the next privatization of a few thousand plants a bit differently. It must be conducted in such a way as to give poor Polish society a start. It must be a transformation in such a way that the greater part of the assets belong to broader social groups. The Siec [network of Solidarity organizations in Poland's largest plants] idea is going in that direction; maybe not exactly, but the point in this idea is to give the activeness of Poles in various places the chance of a start.

I will insist strongly on this second privatization program, assuming broader social access to the assets still in the country.

[Mikolajczak] Mr. President, let us return to the problem of the Polonia [Poles living abroad]. The term, black scenario, has appeared in our political vocabulary. My question is connected with this. Will Poland be able to help Poles living in the former eastern regions?

[Walesa] I think, in spite of everything, regrettably, you have mixed up your scenarios. There are two black scenarios in Poland. One is internal: that we will not be able to stand the rate and difficulties of the reforms and that we will begin to have chaos among ourselves internally. Then there is the black scenario that is beyond our control: the scenario of great chaos in Russia and in the post-Soviet countries. We can consider both of them, but as I say, we must not confuse the two scenarios. We would be talking about something different.

We have great influence over our scenario; we have slightly less influence over the one that is not ours, the one beyond our borders. I, as president, am afraid of both black scenarios. I am looking for solutions, and I am looking to protect Poland from both black scenarios. It seems to me that I have the solutions. Here again, however, they cannot be discussed, because to reveal concepts and solutions would make the search for other solutions easier, to which I might not have solutions. [as heard]

[Mikolajczak] I am thinking of perhaps more humanitarian aid for our fellow countrymen in the east.

[Walesa] You mean you are thinking....

[Mikolajczak, interrupting] Economic aid.

[Walesa] Yes, but you are talking about our fellow countrymen on Soviet territory?

[Mikolajczak] Yes.

[Walesa] I have to say that we are not doing quite enough here. But then again, if we were to do more, it would be interpreted as interfering, as our having still other plans. What seemed good and effective today would bring us the opposite results tomorrow. Again, I have my own point of view regarding the future of our fellow countrymen, and I want, at the least, not to hinder. I know that the closest countries—Lithuania and Ukraine—have two roads: to Europe and to Asia. I know that they will choose Europe. So, in this concept, I know that they cannot depart from that road. I know they will come, because the future, the 21st century, lies in regional solutions, after all.

The future means regional cooperation. So we are not going to transfer Poland or Lithuania to America. We are doomed to be with each other. Let us do everything to be good partners, so that it is worth working with Poland. Then do not worry about those willing to support this cooperation.

[Mikolajczak] Mr. President, it has been possible recently for a Mrs. Kowalska to call you from anywhere in the city. May our compatriots scattered around the world do this too?

[Walesa] I have already had calls both from France and from Germany. They too call, but not as often.

[Mikolajczak] Would it be indiscreet if I were to ask what they ask about and what they ask for?

[Walesa] Well, the one from Berlin said he had great ideas, and these ideas were not working out for him. He

wanted to describe what these ideas look like and send them to me over the fax. Then he wanted to discuss with me what is to be done.

[Mikolajczak] So it really amounts to help.

[Walesa] Well, not help. He wants to do good business, but he is meeting all sorts of barriers. He wants to give his observations so that these barriers could be removed perhaps.

[Mikolajczak] Mr. President, could I persuade you to have meetings with the Polonia viewers from time to time.

[Walesa] I love meetings very much. On the other hand, I do not like partings.

[Mikolajczak] Thank you very much.

[Walesa] Thank you.

Council of 'Order of White Eagle' Holds First Meeting

AU3103154593 Warsaw PAP in English 1220 GMT 30 Mar 93

[Text] Warsaw, March 30—The Provisional Council of the Order of the White Eagle, composed of the Sejm and Senate speakers and the prime minister, held its first meeting today.

The Order of the White Eagle was restored by parliament on October 16, 1992 as the highest order of the Republic of Poland.

Sejm speaker Wieslaw Chrzanowski, chairman of the Council, said the body will hold another meeting after the Easter holidays during which it will present the first candidates for the distinction.

President Lech Walesa said that the order would be conferred upon those who in a significant way contributed to the regaining and the consolidation of Poland's freedom and sovereignty, who have contributed to the development of her political, economic and cultural welfare.

It is expected that the first Orders of the White Eagle will be granted during ceremonies marking the anniversary of the proclamation of the 1791 Constitution falling on May 3.

Ministers Refuse Comment on Alleged Coup Investigations

AU0104120293 Warsaw PAP in English 2031 GMT 31 Mar 93

[Text] Warsaw, March 31—The Justice Ministry and the Military Prosecutor's Office today refused to comment immediately on the results of an investigation just completed by the Polish Military Prosecutor's Office into allegations that military units in the Warsaw area attached to the Interior Ministry were placed on a state of alert on June 4, 1992.

According to unofficial sources, the results of the investigation were the main topic under discussion at a meeting today between Justice Minister Jan Piatkowski and senior officials of the Military Prosecutor's Office. However, participants at the meeting declined to answer questions on the issue.

Colonel Zbigniew Rewucki, deputy head of the Military Prosecutor's Office, said that a communique was under preparation, and would be issued after the Easter holidays.

The investigation by the Military Prosecutor's Office began in July 1992, following allegations that Piotr Naimski, at the time head of the State Protection Office in the government of Jan Olszewski (December 1991-June 1992), acting on the authority of the then interior minister, Antoni Macierewicz, on June 4 ordered Interior Ministry troops in the Warsaw area to a state of enhanced readiness. The alleged orders were issued at a time of growing political tension, following the release of Interior Ministry files relating to alleged collaborators with the former communist secret services at the beginning of June 1992.

Naimski and Macierewicz have repeatedly denied the allegations.

The crisis caused by the release of the files led to the dismissal of the Olszewski Government by the Sejm (lower house of parliament) on the night of June 4-5.

Former Minister Announces New Center-Right Bloc

LD3003223693 Warsaw PAP in English 2110 GMT 30 Mar 93

[Text] Wroclaw, March 30—The leader of the Movement for the 3rd Republic (RTR) and former Defense Minister Jan Parys announced here Tuesday [30 March] that five centre-right parties, including his own, would form an electoral bloc in the next parliamentary elections.

The same parties plan to field their own candidate for president in the next presidential elections, he added, without giving the name of the would-be candidate.

Parys claimed that the "the present ruling alignment must be done away with" by constitutional means. He added that the Democratic Union (UD) and the Democratic Left Alliance (SLD) should be excluded from any future political alliances.

Hungarian Ship Accused of Breaking UN Sanctions Detained

LD3103195193 Budapest MTI in English 1839 GMT 31 Mar 93

[Text] Budapest, March 31 (MTI)—The Romanian authorities have detained a Hungarian ship carrying iron ore on the River Danube at Galati on suspicion of violating a UN embargo on Yugoslavia, a senior official of the Mahart Hungarian Shipping Company confirmed the report issued by REUTERS from Bucharest today.

Head of department, Laszlo Koszonits, states that there must be a misunderstanding. "Since the ship carries iron ore, it has not violated any UN embargo," he said.

The ship Adony would have carried 5,100 tonnes of Ukrainian iron ore to the metallurgical plant of Dunaujvaros. Should the ship be held up for a long time, Mahart will have to pay a fine to its Hungarian partner. For this reason, the shipping company has asked the Hungarian Foreign Ministry to intervene on their behalf with the Romanian authorities to allow the ship to continue its journey to Hungary, the Mahart official said.

WEU Assembly President Addresses Parliament

AU3103161193 Bucharest ROMPRES in English 1049 GMT 31 Mar 93

[Text] Bucharest ROMPRES 31/3/1993—Hartmut Soell, president of the Assembly of the West European Union and the delegation of the WEU Assembly Political Commission now in Romania, attended the morning sitting of Romanian Parliament, on March 31.

In behalf of Romanian parliamentarians, the guests were greeted by Senate President Oliviu Gherman who stressed the importance of the visit in the process of amplification of Romania's relations with the European Community bodies and expressed the belief that Romania would be supported for admittance with full rights to the Parliamentary Assembly of the Council of Europe.

President Hartmut Soell enlarged in his address upon the collective security system projected at an all-European level, determined by the political developments of these last few years in Central and Eastern Europe, that give new dimension to the security issues. He mentioned that the countries of West Europe no longer feared the armed threat of the former USSR, but had in mind another possible danger—the mounting nationalism as part of the freedom and democracy entrenched in the former socialist countries, that could threat the peace of the continent, mentioning the Yugoslav crisis in this respect.

The distinguished guest then referred to the progress marked by Romania in the democratization process. He opined there were some problems where a step ahead had to be taken in order to secure the bases of a genuine cooperation in the domain of security and defence. He hinted at the condition of minorities in the Romanian territory and at the Romanian society's attitude toward the aspirations of the Romanian populations which history subjected to authorities external to Romania. Considering he "understood the reactions" of the Romanians, he said the Romanian society had to show it was ready to bear with a situation that was far from satisfactory, because it was aware of the fact that everything being done for mending this situation could only generate both for Romania and for Europe difficulties far beyond the stake of the talks.

The WEU Assembly president concluded by saying he was confident in the amplification of the dialogue, of Romania's collaboration with the WEU, in Romania's participation in laying foundations to a new order of peace in Europe, appreciating the Romanian Government's foreign policy activity.

This is the first visit to Romania by a president of the WEU Assembly and by a delegation of the WEU Assembly Political Commission.

Galati Port Authorities Impound Ukrainian, Hungarian Ships

AU3103155093 Bucharest ROMPRES in English 1146 GMT 31 Mar 93

[Text] Bucharest, ROMPRES, 31/3/1993—The authorities of the port of Galati impounded on the night of March 30 the vessels "Kapitan Ilyskin", of Ukraine, and "Adony", of Hungary, that were sailing on the Danube and which had been loaded with iron ore in the ports of Ismail and Reni, Ukraine.

Customs officials did not allow the two ships to go on sailing, mentioned Tudorel Damian, on behalf of port authorities. Customs Chief Adrian Cocos said that "Article 1 of UN Resolution 787, on the embargo imposed to Yugoslavia has been recently completed, including 'iron ore' among the merchandise that can be transported only after approval from the UN Sanctions Committee. As the transport has not been approved until the checking, the two vessels have been impounded."

Convoy Carrying 2,000 Muslims Leaves Srebrenica

LD3103142393 Belgrade TANJUG in English 1418 GMT 31 Mar 93

[Text] Zvornik, March 31 (TANJUG)—A 14-truck convoy of the office of the U.N. High Commissioner for Refugees (UNHCR) is on its way from Srebrenica, a Muslim enclave in eastern Bosnia-Herzegovina (BiH), to Tuzla, a Muslim-held town in northeastern BiH, with a new group of Muslim civilians.

The convoy is carrying roughly 2,000 Muslim civilians who have chosen to go to Tuzla, UNHCR representatives said. The convoy has safely and without any obstruction passed through the territory of the Serbian municipality of Zvornik, after undergoing a routine check by Bosnia-Herzegovina Serbs not far from Bratunac.

Another, 12-truck convoy is to evacuate Muslims from Srebrenica to Tuzla on Wednesday [31 March], commander of the Zvornik Garrison of the Army of Bosnia-Herzegovina Serbs, Maj. Dragan Petkovic told TANJUG. A total of roughly 5,000 Srebrenica Muslims, including the group evacuated on Wednesday, have so far reached Tuzla.

The Serbian side is fully abiding by the agreement reached late last week between representatives of the army of the Serbian republic in BiH and the U.N. Protection Force (UNPROFOR) on the evacuation of Muslims from Srebrenica and of Serbs from Tuzla.

The same could not be said of UNPROFOR commander for the former Bosnia-Herzegovina, French General Philippe Morillon, who has practically done nothing for the evacuation of Serbs from Tuzla.

There are roughly 18,000 Serbs in Tuzla but only two groups, each of roughly forty or so people, have so far been evacuated with the help of the UNHCR.

Seven Die in Struggle

AU3103190093 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 1700 GMT 31 Mar 93

[Report by Salih Brkic from Tuzla]

[Excerpts] The convoy with the unfortunate people from Podrinje reached the reception centers in Tuzla at about 1700 this afternoon. According to information from the regional headquarters of the civil protection of Tuzla, almost 2,500 women, children, elderly, and the ill arrived in 23 trucks. [passage omitted]

In one truck, the bodies of seven people were found who died in the general mayhem and desperate struggle to find a place in the convoy for Tuzla. Four children under 10 were among the dead. [passage omitted]

We have found out from the command of the Second Corps that an agreement has been reached with UNPROFOR [UN Protection Force] that its members will no longer undertake any similar operations without the approval of the authorities in Srebrenica and the military authorities of the Tuzla region, and that the wounded will be transported by helicopter, while children and others will be transported by buses provided by the Tuzla region. According to Dr. Abdulah Basic, member of the command of the Second Corps, the most important thing now is that the international community deliver as much food and other aid as possible to Srebrenica and that the French hospital finally arrives in the town.

Another thing, any further evacuation from Srebrenica will have to be approved by the Srebrenica War Presidency.

UNHCR Official Updates Srebrenica Evacuation Plans

LD3104235393 Madrid RNE-1 Radio Network in Spanish 2100 GMT 31 Mar 93

[Telephone interview with Jose Maria Mendiluce, delegate for the UN High Commissioner for Refugees in Zagreb, by unidentified studio announcer on 31 March—recorded]

[Excerpts] [Announcer] We will now find out how the 24-hour postponement in the evacuation of civilians from Srebrenica came about and what forecasts there are for being able to continue with this essential humanitarian aid for all the refugees. In Zagreb, coordinating the international aid for Bosnia, is the delegate for UNHCR [UN High Commissioner for Refugees]—the UN refugee agency. He is Spain's Jose Maria Mendiluce, an eyewitness to the atrocities of this war. Mr. Mendiluce, good evening.

[Mendiluce] Good evening.

[Announcer] In the end what happened with the evacuation operations? Have they been stopped? Have they been suspended or not?

[Mendiluce] No. The problem is that the population in Srebrenica, some 30,000 or 40,000 people, is in a situation of total desperation. They have already been expelled on several occasions—on at least two or three occasions—from their places of origin. They have experienced traumatic and dramatic situations and there is a situation of general panic which, in the two evacuation convoys that we have carried out in the past 48 hours, gave rise to terrible scenes among the population, who were throwing themselves onto the trucks, throwing children onto the trucks so they could get out with the convoy. This led to several deaths. In today's convoy three children died before leaving Srebrenica and around five or six people died on the journey as people were crushed against each other.

It will be extremely difficult for us to continue with the operation tomorrow if we do not manage to establish a

certain order in the outflow of the population from Srebrenica. Unfortunately, there is no local authority or ability on our part to be able to introduce order into this mass of terrorized people. What we have decided to do is to suspend the evacuation of people for 24 hours. We are talking to the Srebrenica people themselves, our colleagues on the ground there are talking to the authorities, and we are establishing mechanisms and criteria and trying to get them to help us avoid deaths in this evacuation.

[Announcer] Mr. Mendiluce, where is the problem now? Previously it was Serbs stopping the convoys, but now it seems that Muslims on the road to Tuzla stopped the convoy at one point. Where exactly is the problem?

[Mendiluce] On the part of the Serbs, the problem lies in the fact that they have no intention of cooperating in any of the humanitarian evacuations. They have been creating enormous problems for us in being able to help the people in those areas where there are Muslim enclaves surrounded by Serb forces in eastern Bosnia. On the Muslim side, we had a very serious incident today when Muslim troops in the Tuzla region, once we had crossed through the Serb frontline, stopped the convoy for more than two hours; they put mines on the road; they threatened our drivers, our escort colleagues, with weapons because they say we are contributing to or collaborating with the Serbs in the ethnic cleansing of Srebrenica by evacuating the population.

I immediately interceded with Bosnian President Izetbegovic, who ordered that the mines be removed immediately and that the convoy be allowed to pass, which is what happened. I confirmed with the president of Bosnia his total support for the evacuation of the civilian population of Srebrenica to guarantee their lives and their safety. [passage omitted]

[Announcer] What is the situation of the refugees like at the moment? The pictures and news reports—above all the pictures—reaching us are absolutely pitiful. What is the situation like as seen by you firsthand?

[Mendiluce] I spoke to my colleagues in Srebrenica by radio 10 minutes ago. We have rotated the team there because our colleagues were sending messages of total desperation. The situation is chaotic. [passage omitted] The situation of the population in Srebrenica is absolutely appalling. People are suffering severe levels of malnutrition. There are many wounded, many infectious or contagious diseases, and 60 percent of the infant population have diarrhea. There is no drinking water for the whole of the population.

The most pitiful thing is the faces, the looks, of these people which in themselves reflect all the horror of a senseless war imposed by gangs of nationalist fanatics, who do not even have military objectives; the military objective is to cleanse entire regions of population from the other ethnic group and conquer territories to unify them with the group controlling them. This practice, which has meant that the Serbs so far control 72 percent of Bosnian territory, is not only frightening for Bosnia-Herzegovina. It is not only frightening when we see these hundreds of thousands of people without any hope for the future. It is also frightening, I believe, for the whole of Europe and for the future of many areas in the former Soviet Union, where the message from these criminals, who are managing to impose their objectives by force and are laughing at the international community, is an abominable message which could cost us all very dearly. [passage omitted]

Srebrenica Officials Halt Evacuation

AU3103191993 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 1700 GMT 31 Mar 93

[Report by the Press Center of the Srebrenica War Presidency]

[Excerpt] [passage omitted] At today's session of the Srebrenica War Presidency and headquarters of the Armed Forces, it was decided that a stop be put to the evacuation of civilians from Srebrenica because it was being used for ethnic cleansing of the region. General Morillon and UNPROFOR [UN Protection Force] are requested to urgently open an air bridge with Tuzla and evacuate several hundred wounded and ill from Srebrenica. It is also requested that apart from food and medicine, deliveries be made of needed amounts of clothes, footwear, blankets, tents, and other supplies, the list of which we handed over to the representatives of the UNHCR [Office of the UN High Commissioner Refugee] and UNPROFOR in Srebrenica.

Muslim Authorities in Tuzla Block Convoy

AU3103145093 Paris AFP in English 1414 GMT 31 Mar 93

[Text] Tuzla, Bosnia-Herzegovina, March 31—The Moslem authorities here were blocking the entry into the city Wednesday [31 March] of a U.N. convoy carrying hundreds of Moslem refugees from Srebrenica, in a dispute over the United Nations' handling of the evacuation, a British military source said here.

The crowded trucks, which left Srebrenica earlier Wednesday after a stampede of desperate refugees that left at least two children dead, were blocked by local Moslem units about 20 kilometers (12 miles) from Tuzla.

A spokeswoman for the U.N. High Commissioner for Refugees (UNHCR) in Belgrade had said earlier that the convoy was held up at a Bosnian Serb checkpoint outside Tuzla.

But the British military source said Tuzla authorities were preventing the 19-truck convoy from advancing because they felt the UNHCR was not respecting an agreement to evacuate only the ill and wounded from Srebernica. The Bosnian fear evacuations of civilians will help the Serbs in their policy of "ethnic cleansing".

Serbian forces were refusing to let the convoy turn back, the source said.

Negotiations were underway here between UNHCR officials and local authorities to resolve the situation, officials said.

Many of the refugees seeking to leave Srebrenica are seriously ill. Five persons, including a baby, died when a convoy of crowded trucks brought 2,346 Moslems here from Srebrenica on Monday.

Army Protests at UN Treatment of Refugees

AU3103152493 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 1300 GMT 31 Mar 93

[Report by Salih Brkic from Tuzla]

[Text] Reception centers in Tuzla are again in full readiness, expecting the arrival of the latest convoy with unfortunate people from Srebrenica. However, the arrival of this convoy is accompanied with many misunderstandings, mostly caused by representatives of the international organizations. According to Dr. Abdulah Pasic of the Second Corps Command in Tuzla, at yesterday's meeting between the Tuzla authorities and the Second Corps on one side and UNPROFOR [UN Protection Force] and UNHCR [Office of the UN High Commissioner for Refugees] representatives on the other, it was decided that only 500 to 600 people would be brought out of Srebrenica, meaning the badly wounded, children, and the sick. Their transportation should have been done more humanely as had been decided before—by buses that the representatives of the Tuzla authorities and the Second Corps had made available for them, and by helicopters or buses for the badly wounded.

UNHCR and UNPROFOR have violated this agreement, and they again set off from Srebrenica toward Tuzla with about 2,500 people in 16 trucks. It is hard to imagine, Dr. Pasic said, how these people in packed trucks survived the part of the journey to (?Snagovo), where the convoy is said to be now. In order to conceal that, the representatives of the international organizations have sent another 16 trucks to meet the convoy. When we learnt about all this, we decided not to allow the convoy to enter the city until we get an answer from the Srebrenica War Presidency about whether UNPROFOR had obtained approval for the evacuation of such a large number of people. If that was not the case, we will not allow the international organizations to continue to give open support to the ethnic cleansing of Podrinje. We will insist that they put down in writing the things they have done of their own accord, Dr. Pasic stressed.

At the same time, we were told in the Second Corps command in Tuzla that, because of the manner of transportation, they lodged an immediate protest with General Morillon. It appears that it has had no effect, since the unfortunate people from Podrinje are again being transported in open trucks as if they were second class citizens. It is hard to say what will happen in the next few hours, and when this convoy will reach Tuzla.

Agreement Reached on Evacuation of Tuzla Serbs

LD3103173993 Belgrade TANJUG Domestic Service in Serbo-Croatian 1438 GMT 31 Mar 93

[Text] Zvornik, 31 Mar (TANJUG)—Representatives of the three warring sides in former Bosnia-Herzegovina this afternoon reached an agreement on the opening of a permanent corridor to and from Tuzla for the exchange of civilians.

The agreement was reached in Drijenca, following several hours of negotiations between the Serb side, the Tuzla commission for exchanging civilians, and the Croat Defense Council [HVO].

Details about the opening of the corridor, which will most likely run through Drijenaca, Gornja Tuzla, or Loncar area, will be finalized in two days time.

All details for the continued evacuation of 500 Serbs from Tuzla will be also worked out. So far, only 88 out of 500 Serbs had been evacuated.

It was also agreed to exchange POWs [prisoners of war] on the basis of the "all-for-all" principle, with the exception of war criminals.

The chairmen of the commission for exchange of the Serb Republic for Ozren and Semberija, Vojislav Djurkovic, said members of the Tuzla commission stressed that the UNPROFOR [UN Protection Force] commander for Bosnia-Herzegovina, General Morillon, did not discuss the evacuation of Serbs from Tuzla during his visit to this town.

Djurkovic added the Tuzla authorities were expecting Gen. Morillon to confirm officially that the evacuation of civilians, in this case Serbs, from this town did not amount to ethnic cleansing.

Refugee Convoy Permitted To Enter Tuzla

AU3103160493 Paris AFP in English 1514 GMT 31 Mar 93

[Text] Belgrade, March 31 (AFP)—A refugee convoy carrying some 2,000 Moslems from the besieged Bosnian town of Srebrenica was authorized Wednesday [31 March] to enter Moslem-held Tuzla after difficult negotiations with both Moslem and Serb authorities, U.N. officials said.

Two children were crushed to death when panicked refugees stampeded to climb aboard the U.N. trucks as they left Srebrenica, and four more people died during the journey to Tuzla, U.N. officials said.

After passing through the last Serbian checkpoint before Tuzla, the 19-truck convoy was blocked by local Moslem

authorities who complained that the United Nations was not respecting an agreement to evacuate only the ill and wounded from Srebrenica.

The Bosnian Moslems fear that evacuations of civilians will help the Bosnian Serbs in their effort to clear all Moslems from eastern Bosnia.

Lyndall Sachs, spokeswoman here for the U.N. High Commissioner for Refugees (UNHCR) which is organizing the convoys, said the trucks were allowed to pursue their trip into Tuzla after "difficult negotiations." She gave no further details.

Many of the refugees seeking to leave Srebrenica are seriously ill. Five persons, including a baby, died when a convoy of crowded trucks brought 2,346 Moslems here from Srebrenica on Monday.

"Our trucks are subject to rushes (of refugees) as soon as they arrive in Srebrenica," Sachs said, adding that the U.N. relief missions there were not adequate.

Tens of thousands of people, mainly Moslems, have taken refuge in Srebrenica, which is besieged by Serb forces.

Relief Convoy for Zepa Stranded Near Mount Romanija

AU0104120193 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 1000 GMT 1 Apr 93

[Text] The convoy with humanitarian aid for Zepa has been stranded under the foot of Romanija Mountain for two days, because the local Chetnik warlords are not allowing it go further. They demand a detailed inspection of the ammunition and weapons of the Canadian soldiers escorting the convoy. The Canadian soldiers are resolutely rejecting this.

Karadzic Comments on UN Resolution 816

AU0104073693 Belgrade Radio Beograd Network in Serbo-Croatian 0700 GMT 1 Apr 93

[Text] I must say with regret that the highest UN authorities continue to misunderstand the Bosnian knot. The unilateral punishment of the Serbian people can only have negative consequences. This was stated by Radovan Karadzic, president of the Serbian Republic [of Bosnia-Herzegovina] for SRNA AGENCY after the Security Council adopted Resolution 816, which permits the use of force in the airspace of the former Bosnia-Herzegovina.

He said that it could easily happen that the Assembly of the Serbian people in the Serbian Republic could adopt a decision canceling cooperation with those who are behaving in a biased manner in this conflict, that is, who openly advocate an anti-Serbian policy.

Italian General To Command Airspace Operation

AU0104094693 Paris AFP in English 0859 GMT 1 Apr 93

[Text] Paris, April 1 (AFP)—An Italian NATO general, Giuseppe Degli Innocenti, is to expected to head the operation to control Bosnian airspace using allied military aircraft, sources said Thursday [1 April].

Innocenti, head of NATO's 5th Allied Tactical Air Force in Italy, is to take over the role in the wake of a new U.N. Security Council resolution sanctioning military action against invading military craft.

U.N. Resolution 816, agreed Wednesday, allows North Atlantic Treaty Organization (NATO) aircraft to act against aircraft in the air, although it bans them from bombing Serbian airfields and ground targets.

Working to a plan drawn up over the last few months, the allies will use NATO procedures and resources to implement the resolution, although the operation will not be a strictly NATO one, the sources said Thursday.

Innocenti will act under U.N. Security Council control, working with the U.N. Protection Force and other countries with forces in the region, the sources said.

At the end of last year several countries, including the United States, France, Britain, the Netherlands and Russia, volunteered military aircraft to control the no-fly zone, according to the sources.

The allied forces would be based at various sites in Italy, with France sending a first contingent of Mirage 2000 RDI aircraft, a French military source said.

NATO and French AWACS [airborne warning and control system] radar planes have been monitoring Bosnian airspace for the last few months, operating out of Hungary and Italy.

A number of aircraft bombing incidents have been reported in Bosnia, notably last month near the besieged eastern Moslem enclave of Srebrenica.

Serbs Claim Croats Violating No-Fly Zone

LD3103165793 Belgrade TANJUG in English 1536 GMT 31 Mar 93

[Text] Belgrade, March 31 (TANJUG)—The Air Force and air-defense command of the army of the Serbian republic in Bosnia-Herzegovina on Wednesday [31 March] said the air force of the Republic of Croatia was violating the no-fly zone over Bosnia-Herzegovina but international organizations were keeping silent about it.

The communique, whose text has been sent to TANJUG, said Croatia's Air Force was using the air corridor opened for humanitarian flights from the Croatian town of Split to Sarajevo in BiH [Bosnia-Herzegovina] 'to survey and take shots of the terrain and territory of the Serbian republic.'

The communique said the Split-Sarajevo air corridor for humanitarian flights, opened with the consent of Bosnia-Herzegovina Serbs, 'is continued to be used for unannounced and unauthorized flights.'

The Air Force and air-defense command of Bosnia-Herzegovina Serbs said it had established that the corridor was being used by Croatia's Air Force on the basis of flight altitudes, their speed and deviations from the set corridor.

The command said two unannounced flights were recorded in the corridor on Tuesday.

Muslims, Croats Accused of Violating Cease-Fire

LD3103214993 Belgrade TANJUG in English 2010 GMT 31 Mar 93

["Pool" item]

[Text] Belgrade, March 31 (TANJUG)—Croat and Moslem forces on Wednesday [31 March] violated on several locations the March 28 cease-fire in Bosnia-Herzegovina, sources of the army of the Serbian republic in Bosnia-Herzegovina said.

The former Yugoslav republic has for nearly a year been torn by an ethnic war between local Serbs, Croats and Moslems. The three sides agreed the cease-fire on March 25.

Moslem forces opened mortar fire in the area around the northwestern Bosnian town of Novi Grad, and used infantry weapons and antiaircraft cannons against Serb positions around Gradacac further to the north, the Banja Luka-based First Krajina Corps of the Bosnian Serb army said in a statement. It said the Moslem forces opened infantry fire around Doboj and Teslic in northern Bosnia-Herzegovina.

The Serb side did not return fire and had no losses, the statement added.

The Herzegovina Corps in Bileca said the Croat-Moslem forces violated the ceasefire on the Mostar-Nevesinje battlefield in the Serb southeast Bosnia, using snipers and heavy artillery. [Word indistinct] Serb soldier was seriously wounded, the source said.

Moslem units in the region of the east Bosnian town of Foca also opened sporadic fire on Serb positions, but Serb forces did not return fire, the Herzegovina Corps added.

Serbian Cease-Fire Violations Reported in Srebrenica

LD3103221893 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 2000 GMT 31 Mar 93

[Text] According to reports received so far, the most serious breaches of the cease-fire have today been registered in the Srebrenica area. The press center of the Srebrenica armed forces has reported fresh chetnik attacks. After 1600 they opened fierce artillery fire on defense lines and the free territory from (Kaolin), (Repovac), and other strongholds. Two people have been killed and seven wounded since the previous report from Srebrenica.

Churkin: Serbs 'Determined To Seek Peace'

LD3103183593 Belgrade TANJUG Domestic Service in Serbo-Croatian 1522 GMT 31 Mar 93

[Text] Pale, 31 Mar (TANJUG)—It is of great significance to preserve the cease-fire and it is my firm impression in the wake of today's talks that the Serbian side is determined to seek peace despite a large number of complex issues, Russia's Deputy Foreign Minister Vitaliy Churkin said following his talks with a Serbian delegation in Pale. I hope that all sides will continue to respect the cease-fire.

Churkin was pleased to accept an invitation to attend the next session of the Serb republic assembly which will take place in Bileca on Friday 2 April.

Tomorrow, I will meet with President Cosic and Premier Kontic in Belgrade and I will also perhaps meet with Mr. Milosevic, Churkin said, explaining this change to his visit to the Serbian republic.

President of the Serbian republic Radovan Karadzic regarded the talks as a constructive contribution to analysis of the past negotations in the framework of peace talks. We were talking, very openly, for over three hours as we stressed that it was necessary to establish peace in the wake of the present cease-fire, Karadzic said. We demonstrated our commitment to a peceaful political solution and our efforts to preserve the peace for as long as possible, Karadzic said.

Karadzic, Churkin on Talks

LD3103183793 Belgrade TANJUG Domestic Service in Serbo-Croatian 1704 GMT 31 Mar 93

[Text] Pale, 31 March (TANJUG)—The talks Serb republic President Radovan Karadzic, Vice President Nikola Koljevic, and Assembly President Momcilo Krajisnik held with a Russian delegation comprising, in addition to Deputy Foreign Minister Vitaliy Churkin, Russian Ambassador in Belgrade Gennadiy Shikin, went on for more than three hours in Pale today.

In the framework of the talks, which were held in a cordial atmosphere, a working lunch was organized, thus Karadzic and Churkin appeared before journalists only around 1500.

We talked for more than three hours, and we discussed very frankly and thoroughly everything that has so far been dealt with at the conference as well as possibilities to complete the peace process in a constructive and positive spirit, Karadzic said. We spent a long time discussing the possibilities of restoring peace in the continuation of the current cease-fire. We confirmed our commitment to finding a solution in a peaceful way, through political means, and to preserving the cease-fire as long as possible.

We officially invited Mr. Churkin, as a representative of Russia, to attend our Assembly session and meet our deputies. It would be useful for the deputies to be briefed on the views of the Russian side and the international community on our crisis, Karadzic said.

Addressing journalists, Vitaliy Churkin stressed that he agreed with Karadzic's views on the talks so far. I accepted the invitation to meet the participants in the Assembly session with gratitude, Churkin said. I am going back to Belgrade to have meetings with President Cosic and Prime Minister Kontic, and I believe that I will have another meeting with President Milosevic. I will then attend the Assembly session in Bileca, Churkin said. He agreed with Karadzic's assessment about the paramount importance of maintaining the cease-fire. I have a strong impression that the Serb negotiators are persistently seeking a road to peace, but there are still many other more complex issues. I am satisfied that the cease-fire is being observed and I hope that all sides will agree to the cease-fire and that they will continue to observe it, Vitaliy Churkin said.

Asked by journalists whether they discussed a possible Serb signing of the Vance-Owen plan, Serb Republic President Radovan Karadzic, said the talks discussed only the degree to which the Serb side accepts the plan. Naturally, there is still need to seek solutions through direct negotiations, but we have explained to Mr. Churkin that we accept quite a lot from the plan, even 70-80 percent of the maps, but we must ask the Assembly to endorse it. We shall continue to make our full contribution to the conference, because we believe that both our nations and the international community demand a cease-fire and then a political solution, which is more difficult to find. The peace is, however, paramount, Karadzic said.

Asked about conditions Alija Izetbegovic set when signing the Vance-Owen plan, Karadzic said it was not good to set preconditions for the peace process, especially not if the Vance-Owen plan has been already accepted. For this reason, we must be responsible and see that the suffering of the people ends, Karadzic said.

Asked why he had postponed his visit to Sarajevo, Churkin noted with regret that there were some technical problems, and for this reason he had to postpone his talks with Izetbegovic. Churkin refused to comment on a statement by Warren Christopher that it was possible to make some concessions to the Serb side, because, as Churkin put it, he has not seen the full statement.

Churkin Meets Karadzic

AU3103201393 Belgrade RTB Television Network in Serbo-Croatian 1730 GMT 31 Mar 93

[Report by Miroslav Gligorevic]

[Text] Vitaliy Churkin, special envoy of the Russian President to the peace negotiations on the former Bosnia-Herzegovina, met the Serbian negotiating delegation headed by Dr. Radovan Karadzic, president of the Serbian republic in Pale today. Participating in the talks on the Russian side were Genadiy Shikin, Russian ambassador to the Federal Republic of Yugoslavia, and Aleksander Tolkach, embassy adviser. Taking part in the Serbian negotiating team were the chairman of the assembly, Momcilo Krajisnik; Dr. Nikola Koljevic, vice president of the republic; and Dr. Vladimir Lukic, prime minister of the Serbian republic.

After talks that lasted three hours, the heads of the delegations gave the following assessment of today's meeting for the many domestic and foreign journalists:

[Begin recording] [Karadzic] We devoted a particularly long time to the need to establish peace and, if possible, do so within the continuation of this truce. We confirmed our stance and our devotion to a peaceful solution, as well as our desire for this truce to last as long as possible.

We officially invited Mr. Churkin as a Russian representative to this conference to attend our assembly meeting, to meet our deputies for whom it would be useful to be directly acquainted with the views of both the Russian side and the international community about this crisis of ours. I would now ask the gentleman....

[Churkin in Russian with superimposed translation in Serbo- Croatian] As regards the contents of our talks, I can confirm what Mr. Karadzic said. I received with gratitude the invitation to meet the participants of the forthcoming assembly meeting. Today I will return to Belgrade. Tomorrow, I will meet President Cosic and Prime Minister Kontic. I expect to have one more meeting with President Milosevic and then I will travel again to meet the participants of the forthcoming assembly meeting.

I want to confirm what Mr. Karadzic said, the great importance of respecting the recently signed truce. The results of our talks amount to a firm impression that the Serbian participants in the talks are persistently seeking a road toward peace, although this is a very complex and difficult question and the road to peace is far from being easy.

The truce which was reached a few days ago has come into force and we are glad that it is being respected. We hope that all sides will agree to a cease-fire and that the truce will start being observed [sentence as heard]. [end recording]

In reply to a journalist's question as to whether the acceptance of the Vance-Owen plan was discussed, Dr. Karadzic said that the degree to which the Serbian side can accept the plan was touched upon. As regards the maps, some 70 to 80 percent of the proposals are acceptable for the Serbian side, but the assembly of the Serbian people will have the final say, Dr. Karadzic said.

After the meeting, the Russian delegation set off for Belgrade where it plans to have talks with Dobrica Cosic, president of the Federal Republic of Yugoslavia, and Prime Minister Kontic and then one more meeting with Serbian President Slobodan Milosevic. After this, Vitaliy Churkin will travel to Bileca to attend the Serbian people's assembly.

The visit to Sarajevo and talks with the Muslim leadership are not now going to take place in the first stage of the peace mission. However, Churkin said, this possibility is also not excluded when conditions for it are achieved.

SDS Calls For Serbs To Vote on Vance-Owen Plan

LD3103182593 Belgrade TANJUG in English 1729 GMT 31 Mar 93

["Pool" item]

[Text] Banja Luka, March 31 (TANJUG)—The Serbian Democratic Party (SDS) of Bosnian Krajina, a branch of the ruling party of the Serbian republic (RS) in Bosnia-Herzegovina, has urged the RS parliament to call a referendum in which the Serbian people will vote on the Vance-Owen plan for Bosnia-Herzegovina.

In a letter to the RS assembly, whose text was published on Wednesday [31 March], the SDS of Bosnia Krajina urged that Bosnia-Herzegovina Serbs be given three choices in the referendum—the continuity of the RS, the continuity of the "internationally recognized" Bosnia-Herzegovina, or a joint state of the RS and the republic of Serbian Krajina (RSK).

The RSK, which partly borders with the RS, was proclaimed in 1991 after Croatia's forcible secession from Yugoslavia. The RSK comprises a territory which has for centuries predominantly been populated by Serbs.

The SDS branch for Bosnian Krajina said it opposed the Vance-Owen maps, according to which Bosnia-Herzegovina is to be divided into 10 provinces. It lent support to the RS negotiators who have rejected to put their signature on the maps in New York.

Their negotiators did not sign the maps proposed by Vance and Owen, the cochairmen of the conference on the former Yugoslavia, because Serbian territories are made part of Croatian and Muslim provinces.

According to the proposed maps, nearly a half of Bosnia-Herzegovina Serbs would be cut off in non-Serbian provinces and Bosnia-Herzegovina Serbs would have no territorial links with the Yugoslav Republic of Serbia, their mother country.

The SDS of Bosnia Krajina said the international community had turned its "good offices" into an instrument of pressure "by means of which a greater Croatia is being created on the territory of the former Yugoslavia and the Serbs in the former Bosnia-Herzegovina and in Croatia are being fragmented into numerous tiny enclaves."

"Moreover, the international community is exerting frightful economic and other types of pressure on the Serbian lands Serbia and Montenegro, which in no way participate in the conflict on the territory of the former Bosnia-Herzegovina," the SDS of Bosnian Krajina said.

The SDS of Bosnian Krajina on Wednesday paid tribute to the RS negotiators for taking a "dignified stand in New York."

The SDS of Bosnian Krajina said it was deeply convinced the RS parliament would uphold the preservation of the vital interests [words indistinct] Serbian people in Bosnia-Herzegovina when it meets in the town of Bileca, Eastern Herzegovina, on Friday.

Leader of the Liberal Party of Bosnian Krajina Miodrag Zivanovic said on Wednesday that "no political talks were held (in New York), but there was blackmail, pressure, and trading with territories."

Army 'Certain' of Winning War After 'Brilliant Victories'

AU3103204893 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 1700 GMT 31 Mar 93

[Statement by the Press Service of the Bosnia-Herzegovina Army]

[Text] These are crucial days in the war in Bosnia-Herzegovina. We can already claim with great certainty that the frequently exploited statement that there will be no winner in this war is wrong. The winner is certain. Bosnia-Herzegovina has already won undisputed victories on the political and diplomatic fronts, and the international community is guaranteeing our country sovereignty and integrity more decisively than ever before.

In March, the Bosnia-Herzegovina Army has won a series of brilliant victories, and smashed the aggressor's fierce offensive. There is no uncertainty now about who will win on the military front—the fighters of the Bosnia-Herzegovina Army are the ones, all those who are fighting for a sovereign Bosnia-Herzegovina, a country in which all nations and citizens will enjoy equality, and all those who are proving every day that coexistence is possible. This is said in the statement by the Bosnia-Herzegovina Army.

Even those who inspired and organized the aggression against Bosnia-Herzegovina and these horrible crimes can feel that, and so do of course the deceived soldiers and the Serbian people of Bosnia-Herzegovina. They are increasingly aware of the fact that nothing will come of all that Karadzic [Serbian republic of Bosnia-Herzegovina president] promised them. Even Colonel Slavko Lisica, under whose command terrible crimes have been committed against non-Serbian people, has

admitted on Radio Doboj that coexistence is after all possible. Why then did he kill Muslims? But also why did he lead his own soldiers to their deaths? This is the question that Serbian mothers in mourning should be asking first, but also the soldiers who still follow him, and the entire Serbian people. After all, proof is mounting that among the Chetniks, and among the Serbs who are still on the aggressor's side, the feeling is growing that they are on the wrong side. Apart from clashes between certain Chetnik units, such as two days ago in [word indistinct], or only recently in (?Batkovci) near Bijeljina, there is an surge in desertions from their ranks, flights from Bosnia-Herzegovina, refusals to fight against the Bosnia-Herzegovina Army, and defections from the aggressor's army to our army.

A group of forcefully mobilized soldiers of the so-called Serbian army recently swam across the River Una and joined units of the Fifth Corps. Whole units have established contact with units of the Bosnia-Herzegovina Army, asking for the terms of joining our ranks. The same has been happening on the Doboj and Posavina fronts, and in the wider Sarajevo region. Distinguished and richer Serbian families are leaving Doboj, those who have been completely loyal to the enemy side, and who are beginning to realize who will win this war.

We take this opportunity to invite all those who have not bloodied their hands either to join the ranks of the antifascist liberation Army of the Republic of Bosnia-Herzegovina, or at least refuse to fight against it. This also goes for the entire Serbian population, which has to realize finally that the Army of the Republic of Bosnia-Herzegovina is a liberation army for the Serbs as well, and not an enemy army. The real enemies are the chetnik leaders, who started this war and caused so much grief also to the Serbian people. Do it today, as tomorrow could be too late. Come over to the side of the victors, the Bosnia-Herzegovina Army. Join all those who demonstrate that coexistence is possible, those who wish nothing but good for themselves and others. So ends the statement by the Press Center of the Bosnia-Herzegovina Army.

Sarajevo Radio Reports Serbian Infighting

AU0104120593 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 1000 GMT 1 Apr 93

[Text] The Press Center of the Army of Bosnia-Herzegovina has learned that, during the last week, the Command of the Sarajevo-Romanija Corps of the aggressor army was experiencing great troubles because of the increased (?meddling) between the local chetniks and foreign mercenaries.

The positions in the region of Grbavica are being filled, increasing difficulties, and the units from Sokolac and Sarajevo and the units of foreign mercenaries have been mixed in order to avoid worse clashes.

Being unable to carry out offensive actions with such formations, chetnik commanders have decided to infiltrate smaller saboteur-terrorist groups across the Miljacka River, into the free territory of Sarajevo. The aim of these groups is, by carrying out assassinations against prominent people, to cause uneasiness among the population and members of the Army of Bosnia-Herzegovina.

According to the available information, the main targets of these attacks would be prominent Serbs who have shown patriotic feelings toward Bosnia-Herzegovina.

Fighters of the Army of Bosnia-Herzegovina and Croatian Defense Council units have already prevented two such attempts, and thus there can be no reason for anxiety. This was stated by the Press Center of the Army of Bosnia-Herzegovina.

Reasons for Airdrop Operation Analyzed

93BA0738A Belgrade VOJSKA in Serbo-Croatian 11 Mar 93 p 14

[Article by Todor Mirkovic: "Operation 'Parachute'"]

[Text] U.S. President Bill Clinton's announcement about airdropping humanitarian aid into Bosnia and Herzegovina and Operation "Parachute" which was mentioned have evoked various comments and assessments from many observers of events in this war-torn region. Some approved the operation, emphasizing its humanitarian dimension; others expressed doubt as to the real intentions and expressed fear of possible consequences which could lead to a spreading of the conflict.

President Clinton's original announcement that the aid was intended for the Muslim population and that the transport planes would be escorted by fighter-bombers was modified (probably under the influence of various circumstances) by the statement that the aid would be delivered to the population in need of all three ethnic groups and that the transport planes would not be escorted by combat planes. However, the course of the operation to date has been closer to the original concept than to its modified version. The humanitarian aid is being delivered mainly to the Muslim population, which is confirmed by the drop sites and contents of the packages, and the transport planes are escorted and guided by the flying radar stations (AWACS planes), while combat planes on the aircraft carrier J.F. Kennedy in the mid-Adriatic are in a high state of readiness, always prepared to react to a possible threat to the air corridor.

The comments and assessments of Operation "Parachute," of its objective and possible consequences, which have been presented in the foreign and domestic news media very often put these questions: Why is the United States resorting to this particular type of advancing humanitarian aid? Why was Operation "Parachute" undertaken at a time and under conditions when there was a certain calming down of the situation on the front and when certain signs of a possible resolution of the crisis through negotiations had emerged?

Between Commission and Omission

The official United States is not providing answers to these and other similar questions. President Clinton's decision is mainly explained in the terms of the need to advance humanitarian aid by this method because convoys on the ground have been encountering various obstacles and frequently do not get to the people for whom the aid was intended. Yet it is fairly clear what the reasons were for taking this action from the long-range political interests and strategic objectives of the United States as a global power and from the indicated political orientation of the new U.S. Administration.

President Clinton probably feels required to fulfill at least a part of what was announced in the election campaign when he criticized the previous administration and presented his own view of the situation on the territory of the former Yugoslavia and the way he saw the role of the United States as the sole remaining superpower in resolving critical international problems. Operation "Parachute" is something between "doing nothing" (according to the critical views of the belligerent "hawks") and direct military involvement in Bosnia and Herzegovina, on which those same "hawks" have been insisting, and about which Bill Clinton spoke as a presidential candidate, making promises to those who voted for him. It is supposed to satisfy at least in part the belligerent segment of the American public, whose influence on foreign and military policy of the United States is not small.

In carrying out Operation "Parachute," the United States is showing bias and putting itself on one side in the conflict, which has evident features of an ethnic and religious, and thereby also civil, war. That particular bias arises out of the United States' interest in having ties with the Arab and other Islamic world and in preserving and deepening its positions in that world. American capital is very greatly interested in lasting and safe exploitation of the valuable "black gold," which also has definite strategic importance, but it is also interested in marketing military and other technology in the region of the Near and Middle East, i.e., in the most profitable possible business realized by purchasing very inexpensive raw materials and selling extremely expensive finished products manufactured on the basis of high military and other technologies. At the present level of development of international relations, it seems the United States is more interested in relations with the Arab and Islamic world than with West Europe, toward whose unification it has been showing a certain reserve. Finally, but not least important, over the period since World War II the United States has been actively involved (politically and militarily) in numerous crises and local and regional wars. Even the present (postcold war) United States and its administration are having difficulty and are slow in freeing themselves of the conception that it must be the main arbiter in all international disputes and must thereby build its own internal unity and international reputation.

Intentions Difficult To Detect

Operation "Parachute" began on 1 March, and during the first eight days it dropped from the air more than 200 tons of food and about five tons of drugs. This took place and is continuing without incident. In addition, other countries have also joined in Operation "Parachute": Turkey by delivering packages to Frankfurt, which from there go to Bosnia in American planes, and Russia is announcing its own involvement in the operation by direct delivery and in coordination with the United States. Thus, the operation is becoming broader, and the conflict in Bosnia and Herzegovina is being internationalized more and more.

President Clinton's decision to undertake Operation "Parachute" brought many people to serious reflection leading to this inevitable question: Does it represent a kind of introduction to more direct military involvement of the United States in conflicts on the territory of the former Bosnia and Herzegovina?

It is very difficult to penetrate the real intentions of the United States, and still more difficult to anticipate its plans. We are nevertheless inclined to believe that we are actually dealing only with humanitarian aid, although it is intended for only one segment of the needy population, which is biased and unprincipled. However, the operation itself, the manner in which it is being carried out, and what is happening in connection with it, including the exceptional activity of the naval air forces of the United States and certain other countries in the Adriatic Sea, do present a serious danger of possible situations arising out of incidents and of direct military involvement of foreign powers in a civil war in the central part of the former Yugoslavia, but also a danger of intensification and geographic spread of that war.

* Sabic on Islamic World Aid, Vance-Owen Plan

93P50126A London AL-HAYAH in Arabic 27 Mar 93 p 9

[Report by As'ad Taha]

[Text] Zagreb—AL-HAYAH met with Salim Sabic, the personal representative of Muslim Bosnian President Aliya Izetbegovic and his deputy in the leadership of the Party of Democratic Action. AL-HAYAH asked him a number of questions about the situation in Sarajevo after the Vance-Owen peace plan, the outlook for the future of the Bosnian Muslims, developments in the military situation and Islamic-Croatian relations, and the evaluation of the Bosnian leadership of the international role of the Islamic group in deterring Serbian agression.

The meeting came on the eve of an announcement that Izetbegovic had signed the last of the peace plan documents day before yesterday, Thursday, in New York.

The documents were proposed by international mediators Cyrus Vance and David Owen, in particular a map dividing Bosnia-Hercegovina on an ethnic basis into ten districts enjoying semi-autonomy under a weak central government.

With regard to what has been said about the Muslims of Bosnia entering a stage of hopelessness in which they have nothing to look forward to but signing the Vance-Owen proposals, Sabic focused on "the vicious facts," in light of which the Bosnian people are courageously conducting the war to defend themselves and liberate their land.

He said: "We are suffering a siege unprecedented in history," indicating that "this siege is not imposed on us by the Serbian forces alone but also by the European Community and the Security Council, in which we have received no aid from the Islamic world—other than that provided by the relief organizations—to change the balance of power."

The Bosnian official reviewed the tragic situation in which the country is living, saying that "every day, about 100 of us are killed. Many of our citizens spend the night exposed on the ice under the insane Serbian shelling."

He added: "In light of this situation, we expected a serious step on the part of the Islamic Conference Organization after the deadline that it set (to take tangible steps at the level of the Security Council) on 15 January. The simple fact that we are still surviving and offering resistence as such, even in military terms, should be considered a victory."

Sabic said of the New York discussions that the final solution for the Bosnia-Hercegovina issue "can only be accomplished in two ways: intervening militarily against the state of Serbia or lifting the sanctions on selling arms to us." He again mentioned the deadline that the Islamic group set for 15 January "which did not subsequently lead to any positive steps in this matter, while international groups publicly violated the embargo, which was supposed to be imposed on the Serbs."

On his concept of the long-term future of Muslim Bosnia-Hercegovina if the Vance-Owen plan is applied, Sabic explained that he "in principle" cannot consider this plan completely negative, since the rich and productive areas in the country are still under the control of the Bosnians. He said: "We do not doubt that we will be able, if God wills, to organize ourselves, martial our intellectual, technical, and political capabilities in a new form and liberate the rest of our lands."

While Sabic affirmed that he does not fear the future, he indicated that "we now need peace and justice from the international community, but we will not sign the plan before receiving firm, strong guarantees and tangible commitments on the part of the European Community."

He explained that the Serbs' signing or not signing is not important, "but the important thing is that they feel that they will be threatened with force if they do not desist from continuing their aggressive plan. Without this, there will be no progress."

With regard to relations with the Croatians and what AL-HAYAH noticed during its recent trip to Mostar, the capital of Hercegovina, about the silence of the Muslims toward the "Croatian Defense Council's" measures to impose a Croatian formula over the area, Sabic focused on the fact of "the influence and power that military weight determines." He doubted the truth of the Croatian leaders' claim of 40,000 soldiers in the Bosnian Army in Hercegovina. He also indicated that he had not noticed any positive influence from the recent visit of Turkish President Turgut Ozal to Zagreb at the level of Islamic-Croatian relations.

Cease-Fire Agreement Reached for 'Sector South'

LD3103163693 Zagreb Radio Croatia Network in Serbo-Croatian 1500 GMT 31 Mar 93

[Text] A meeting between representatives of the Croatian authorities, the UN observer team, and Serb insurgents was held at an UNPROFOR [UN Protection Force] control point in Sajnerica near Otocac today. The participants of the meeting had talks regarding a cease-fire in Sector South [Zadar, Sibenik, Knin] and the exchange of wounded soldiers and the bodies of killed soldiers on both sides.

An agreement was reached at the meeting presided over by (Stig von Weier), a representative of the regional office of the European Community in Knin, that a cease-fire should come into effect on 4 April at 2400 and should last at least until 9 April, but it was also noted that the cease-fire should be prolonged to last beyond the agreed date. It has also been agreed that the wounded and captured on both sides should be exchanged on 5 April in Pakovo Selo and in Zitnic. Lists of missing persons, which should be amended with up-to-date details, have already been exchanged and, after that, EC monitors and UNPROFOR will mediate in the exchange of bodies of the killed, including those still lying in mine fields near the frontline.

Krajina Pulls Out of Talks After UN Resolution

LD3103181793 Belgrade TANJUG Domestic Service in Serbo-Croatian 1645 GMT 31 Mar 93

[Text] Belgrade, 31 Mar (TANJUG)—A delegation of the republic of Serb Krajina (RSK), headed by President Goran Hadzic, yesterday suspended the talks in New York with Okun and Ahrens, deputy chairmen of the conference (on former Yugoslavia), because the Security Council passed a new resolution, 815 (1993), which treats the state territory of the republic of Serb Krajina as an integral part of the Republic of Croatia, the RSK Ministry of Foreign Affairs announced this evening.

The newly adopted Resolution 815 (1993) directly contradicts the Vance plan, of which Item 1 guarantees that the political solution will not be prejudiced, according to a statement sent to TANJUG, which says in conclusion:

The delegation will have a meeting with conference chairmen Vance and Owen [cochairmen of the Conference on Yugoslavia] today at 1500, New York time, and demand an explanation of the circumstances under which the Security Council adopted the resolution.

HDZ Chairman Views Extension of UNPROFOR Mandate

LD3103164593 Zagreb Radio Croatia Network in Serbo-Croatian 1500 GMT 31 Mar 93

[Text] The Croatian Democratic Union (HDZ) today concluded that the UN Security Council resolution which provides for the extension of the UN Protection Force's mandate in states that have emerged on the territory of the former Yugoslavia is extremely important for Croatia. It is very important that the resolution clearly confirms the territorial integrity and sovereignty of the Republic of Croatia, including in the UN protected areas, Ivic Pasalic, chairman of the HDZ executive committee, stated at a news conference today.

The resolution implies that the international community is going to effectively implement its decisions in a short period of time, he stressed. Pasalic considers that one of the shortcomings of the resolution is the fact that it does not mention deadlines for the return of refugees and displaced persons.

One-Party Government To Be Formed

LD3103154093 Belgrade TANJUG Domestic Service in Serbo-Croatian 1322 GMT 31 Mar 93

[Text] Zagreb, 31 Mar (TANJUG)—Ivic Pasalic, chairman of the Croatian Democratic Union [HDZ] Executive Committee, said at a press conference in Zagreb today that the new Croatian Government will be a one-party government, consisting only of members of the HDZ.

The HDZ gives full support to President Tudjman's decision to appoint Nikica Valentic, former manager of INA [Industrije Nafta—Croatian oil company], Prime Minister Pasalic said. He said that, because of the very difficult economic situation in the country, ministers "will be appointed very soon".

Pasalic announced that "an important meeting of the HDZ leadership" would be held soon. New party deputy chairmen will be appointed at the meeting, including new Prime Minister Nikica Valentic, two former Prime Ministers Franjo Greguric and Hrvoje Sarinic, and Jure Radic, head of the office of the president of the republic.

The HDZ will continue developing as a party of Christian democracy, Pasalic said. He denied claims about a conflict at the very top of the HDZ, especially between Assembly President Stipe Mesic and former Vice Prime Minister Vladimir Seks.

Background of Krajina Ministerial Changes

93BA0769A Belgrade POLITIKA in Serbo-Croatian 9 Mar 93 p 8

[Article by M. Pesic: "The Background of Ministerial Changes in the Krajina Government: War Honors Above the Law"]

[Text] *The replacement of the minister of defense, Col. Stojan Spanovic, in the middle of war operations, is difficult to understand, Dusan Ecimovic, retired minister of information, says to POLITIKA. Who are the "betrayers of the Serbian revolution." Elections as the only solution.*

One year after the formation of the Republic of Serbian Krajina in Knin, not at all pleasant news has begun to arrive about schism in the Serbian leadership. At a time when Krajina youth are dying at the front, unexplained changes of individual ministers are occurring from time to time in the RSK [Republic of Serbian Krajina] government.

Dissatisfied with the methods with which the Krajina government is working under the leadership of Bozidar Zecevic, Mr. Dusan Ecimovic, minister of information, recently submitted his resignation. As he said, he did this for the most profound ethical, humanitarian, patriotic, and political reasons, because he considers that the government, of which he was a member until recently, has begun to make decisions that can be dangerous in the near future for the local Serbian people.

"The biggest problem is that there are increasingly more individuals and groups that, because of their war honors, are being placed above justice, fairness, and the law. The law of the strongest is prevailing and people who think differently are readily labeled as 'communists,' 'bolsheviks,' and 'betrayers of the Serbian revolution.' Because of this situation, more and more intellectuals are leaving Krajina," says Ecimovic.

The last personnel changes in the Krajina cabinet of Bozidar Zecevic, in the words of Dusan Ecimovic, were made according to an already justified procedure—without an agenda and an appropriate quorum, in an atmosphere of open lynching.

"Minister Dobroslav Veizovic was replaced because he is not a 'sufficiently great Serb,' and vice president of the government Jovo Kablar because of 'communist obstruction.' The reasons for the replacement of Veljko Dzakula, Savan Grabundzija, and Stojan Spanovic are not known to me. I assume that Zecevic's plans are in question. The replacement of the minister of defense, Col. Spanovic, in the middle of war operations, is difficult to understand," explains the former minister of information in the government of the RSK.

The reasons for which another man of the Krajina government was removed, according to Ecimovic, lies in the fact that Veljko Dzakula had talks with the Croatian side in Daruvar under the patronage of the UNPROFOR [UN Protection Force]. The agreement that was signed at those talks on 18 February cost Dzakula his "head." "That document is not disputed at all, because it creates conditions for the renewal of the flow of electricity and water into the area of the former districts of Daruvar, Grubisino Polje, Novsko, Pakrac, and Novo Gradisko, territories under the protection of the Unprofor. Simply put, the vice president of the government was replaced because of information on Croatian radio about these talks," considers Ecimovic, who himself participated in these talks with the Croatian side.

The only solution for the current political situation in Krajina, which is complex and forced, and in the shadow of war conflicts, is elections, according to Ecimovic. "Many times I have spoken at meetings of the government about the necessity of carrying out elections. The power that the government of the RSK has was 'proclaimed' in some way. An election law was passed, and the setting forth of a legal solution on the number of election units was insisted on. The current holders of power in Krajina fear the will of the people, because they know that they wouldn't be accepted at the elections, and they would want to hold on to their current functions at all costs," emphasizes Ecimovic.

"The current Assembly of the RSK is clumsy and ineffective and numbers about 300 representatives, because it is a mechanical connection of three assemblies of the SAO [federal autonomous region] of Krajina, Slavonia, Baranja, western Srem, and western Slavonia. It meets rarely, because it is hard to assemble all the representatives, so that the government, contrary to the Constitution, has undertaken to interfere by replacing ministers," remarks Ecimovic.

As the responsible minister, Ecimovic is most pained by current personnel changes at the television station of the Republic of Serbian Krajina, which were made without his knowledge. "Six months ago I sought to bring a new man to the head of Krajina television. Zecevic did not permit it, and recently appointed on his own, first, Milan Grkovic, who, of all the media types, knows how to write a picture postcard from the sea. Everything culminated with the recent appointment of David Rastovic, heretofore minister of sport, and an electrician by trade, to the post of director of RSK Television. This is a real tragedy in view of so many specialized and qualified people," says Ecimovic with dissatisfaction.

In order to avoid all speculation about him that he is saying this because of a wish for power, this retired Krajina minister recalls that he said many times that he would not be a candidate at the elections when they are held. Ecimovic says that there is nevertheless a way out of this "deadend street." And this is the formation of a concentrated government, the urgent passage of a Law on Election Units and the holding of elections in the shortest possible time, because, in his opinion, only in this way can the Krajina be organized as a legal, democratic, and social state.

Western Slavonia Serbs Condemn Daruvar Agreement

93BA0750B Belgrade BORBA in Serbo-Croatian 5 Mar 93 p 5

[Article by M. Maric: "'Daruvar Agreement' Elicits Discontent Among Some Western Slavonian Serbs: A Lot of Political Naivete"]

[Text] "The secret Daruvar agreement with the Ustashi authorities is only one in a series of mistakes made by Veljko Dzakula and Dusan Ecimovic, former members of the RSK [Republic of Serbian Krajina] government. It is only the epilogue to their genuine betrayal of Western Slavonia."

These words were expressed by the leader of the SRS [Serbian Radical Party] for Western Slavonia, Drago Stupar. Indeed, what is behind this secret agreement between representatives of the Croatian Government and these former Serb leaders?

Specifically, on 18 February in Doljani, near Daruvar, an agreement was reached on the immediate return of Serb refugees to their towns, on opening up road transportation along the Zagreb-Belgrade route, which passes through Western Slavonia, and on resuming transportation along the Zagreb-Belgrade railroad line. According to Veljko Vukelic, the vice chairman of the RSK Assembly and chairman of the Assembly of the Serbian Region of Western Slavonia, the participants in the talks with representatives of the Croatian Government included—besides Veljko Dzakula and Dusan Ecimovic, the current chairman of the Regional Council of Western Slavonia and the former minister of information, respectively—certain representatives of Pakrac, Daruvar, Grubsno Polje, and Podravska Slatina Opstinas.

"Neither the RSK Government nor the people of Western Slavonia" stand behind this shameful agreement, Vukelic says categorically. It required a lot of political naivete, he says, to believe that this "secret agreement" would remain secret. The Serb side was apparently not lacking in naivete, and it seems that it was not adequately warned by the similar case of a secret agreement between Dr. Jovan Raskovic and Tudjman, which the Croatian side immediately violated. Anyway, he continues, there is no need to say anything more about the moral aspect of this secret agreement, which was reached at the expense of the Serbian nation, and which comes—to make things worse—precisely at a time when the Serbian nation is bleeding at the fronts.

However, Dusko Vitez, the vice prime minister of the RSK, feels that by returning the Serbs, the Croatian authorities would rid themselves of charges of ethnic cleansing of this region. They would hide the horrible sin of setting up death camps for Serbs in this region and in general hide, or at least hush up, all the crimes that they have committed here. Moreover, Vitez thinks, by returning the Serbs Croatia would gain the political capital that it needs to portray itself to the world as a country that does not persecute the Serbian nation.

Drago Stupar, the Slavonian radical leader, says that Dzakula and Ecimovic requested an audience with Tudjman back in March 1991. "We do not know what they discussed at the time, but it is a fact that the uprising in Western Slavonia, which should have begun at the same time as the one in Knin and Banija, was delayed for four months," says Stupar.

"When the dreadful exodus of the people of Western Slavonia happened in December 1991, they were at the head of the column. They did not return until May of the following year, even though no one called them. In October 1992, a rally for the truth about Western Slavonia organized by the SRS was postponed because of their doings. They characterized that rally as provocative, while at the same time allowing HTV [Croatian Television] journalists to walk around Okucani and take pictures undisturbed," Stupar says.

Deputy Premier Vedris on Economic Situation

93BA0690B Zagreb VJESNIK in Serbo-Croatian 21 Feb 93 pp 7, 8

[Interview with Deputy Prime Minister Mladen Vedris by Aleksa Crnjakovic; place and date not given: "Should Thirsty Croatia Drink Seawater?"]

[Text] *Certainly all people do not think the same way about all problems, but that is the case everywhere in the world and in every party. If better solutions come out of that confrontation of views, that is good. Why should we all have to like each other in order to work well but also responsibly?!*

When a state's prime minister takes the helm of government in his hands, then reporters usually give him 100 days, and only then start to criticize him.

It is thus sufficient to give a deputy prime minister half that time. Mladen Vedris, a controversial politician whom some people hate bitterly and others like equally strongly, a successful manager of the Croatian metropolis, a macroeconomist who is in his best creative years by West European standards, a person for whom a brilliant career is predicted, but also one of the few who are accompanied by various labels—thus, that is the kind of person who sat down at the deputy prime minister's desk in the Croatian Republic's Government on 11 January 1993. The 41 days that we left him (or he left us?) before an inaugural interview are an insufficient period for drawing a line below the work that has been carried out, but enough to set up chess pieces. Since it is wartime, Mladen Vedris is now playing Black. He does not lack optimism, however. Little indications of where Vedris would like to guide the Croatian economic ship, with the assistance of his "crew" in the government, are apparent from the way in which his team operates, but also from the changes in the cabinet, conduct, and dress. It is as if the spirit of Europe is already here, on the second floor in the right wing of the government building.

Inflation Is the Most Drastic Tax

[Crnjakovic] Some powerful party figures do not like you very much...?

[Vedris] Certainly all people do not think the same way about all problems, but that is the case everywhere in the world and in every party. If better solutions come out of that confrontation of views, that is good. Why should we all have to like each other in order to work well but also responsibly?!

[Crnjakovic] After his 100 days, Prime Minister Sarinic presented a stabilization program. At that time you were

not yet a deputy prime minister, nor had the new war events occurred. In the Zadar hinterland, mortars are doing their job. Will that influence a change in the program, planned for the peaceful times that we were supposed to be headed for, or will the economy have to shift to a war footing?

[Vedris] When the stabilization program, the program for getting out the crisis, was presented, it was a "yellow light" on the traffic signal, a clear warning of what is happening—that Croatia, with the heavy war burden, cannot continue to satisfy everyone's demands in the same way. The Croatian economic ship can no longer be left to inertia. The false satisfaction of everyone turns directly into inflation. If certain banks become illiquid, if bills are issued without backing in the economy, if the beneficiaries of the state budget spend, but do not pay for their services, then it all ends up in inflation, which most affects the average person who lives on his pay. Inflation is the most drastic tax. It taxes most those who live on their regular income. That alarm has to be heard. The stabilization program is a response to it.

[Crnjakovic] Have you felt a need to change anything?

[Vedris] No. During these 40 days or so, with the constant thought that everyone who has received trust in politics has received a loan and not any kind of gift, a great deal of analytical work has been done. An attempt was made to find the best possible links among financial flows in the budget, banks, and public enterprises, to see public finances as a whole, and to see what cracks there are in the boiler through which the steam (and "money") that has to create pressure is escaping. There is no alternative to the stabilization program. The other side of the coin is that some people viewed it as an encyclopedia: You have to have it at home on the shelf, in order to be seen. Reading is not a condition!

UNPROFOR [UN Protection Force] Part of the Tourist Picture

[Crnjakovic] Didn't a new (old) circumstance that you perhaps did not count on arise—the war again? Doesn't that require a modification?

[Vedris] It was said then that it was a program for a time of normal life and calm, but if circumstances changed, if the war escalated, a different approach would be found—a war economy. We hoped that we would be able to fit into international financial institutions considerably more, and that we would obtain more significant financial assistance. Unfortunately, during these two months the December expectations in that area have not been fulfilled.

[Crnjakovic] So what is the way out?

[Vedris] Activating domestic resources.

[Crnjakovic] Which ones?

[Vedris] Introducing order in state finances; we started with cigarette sales and games of chance, and it will have to be extended to the collection of all state revenues.

[Crnjakovic] But that is only taking away, and not creating?

[Vedris] Clearly there will be economic revival in parallel—tourism, undertaking capital projects, combined with public works, investment in our own infrastructure, production for foreign markets....

[Crnjakovic] All the results will be eroded by hyperinflation. Will you try for shock therapy?

[Vedris] In January inflation was 31.1 percent, and that is unendurable. The realization that one cannot spend what one does not have, no matter how objectively necessary it is, has to be a sort of shock. When I say that it is necessary to rely on our own resources, I am also thinking of people, and not just material resources. Croatia has financial reserves, however. Unfortunately, that was demonstrated by the recent financial deceptions. Furthermore, people are increasingly motivated to start creating on their own.

[Crnjakovic] You mentioned tourism, but there will not be any unless we open up traffic. Will Croatia "burn up" if it loses one more tourist season?

[Vedris] It will not lose it, especially the northern part of the coastal area and the islands. It would be good to solve the problem of Maslenica, and organize rapid transportation to the islands through the Split airport and the terminal in Divulje. It is not comforting, but tourists in Israel have their pictures taken with the commandos guarding them.

[Crnjakovic] Do you think that our soldiers and UNPROFOR troops will be part of our tourist attractions?

[Vedris] If necessary, and we will take advantage of it, just as the English use their guards in front of the palace, even though they are only honor guards.

There Is Still No World Capital

[Crnjakovic] What public works were you thinking of, and when will they be opened?

[Vedris] Capital projects on the Zagreb-Rijeka highway, the one toward Varazdin, and local roads, so that we can straighten out our internal transportation. And we have everything—people who do not have jobs anyway and are at the employment office, machinery, and construction materials; there are also possibilities for concessions and stock companies. Spring is at the door along with the beginning of the construction season, but also in a metaphorical sense, as an indication of awakening. When and how? As soon as possible and in as organized a manner as possible.

[Crnjakovic] Some people say that Croatia has sold half its property for only $70 million, and everyone coped somehow, either by using managerial loans or deposited foreign exchange savings. Is that true?

[Vedris] It would be more appropriate to ask interlocutors who have continuity in or with the government. But we should recall, when we talk about that, how privatization occurred in capitalist countries, for example Great Britain. It lasted for years, with a developed financial market, and world financial capital, not just internal capital.

There were three possibilities in Croatia: distributing to everyone, getting bids for everything, or selling in a combined manner, with discounts, taking care of employees capable of paying. The war removed a considerable number of the potential buyers. An attempt was made to encourage buyers by smaller payments during the initial years, because it was expected that we would gradually get out of the crisis and that it would be easier for people to pay the increased installments. Unfortunately, the economic crisis continued as a result of the war and buyers' ability to pay has been reduced.

The government will present a proposal for modifying the law on transformation, which will contain further incentive elements that will encourage cash and foreign exchange payments by buyers in Croatia and in the diaspora. The transformation has to go quickly; it is aimed at creating private owners who will seek competent management. The other goal is to use the money obtained through the transformation to rebuild what has been destroyed, because there is still no foreign aid.

[Crnjakovic] What do you think about the proposal from the independent trade unions that it is necessary to revise all the contracts signed to date for the privatization of enterprises, and ban privatization by means of fictitious bank loans?

[Vedris] They should be considered soberly. If there are indications of illegalities, revision has to be considered. Everyone is innocent to start with, until it is proven that he is guilty. Contracts based on loans obtained on the basis of insurance policies paid for from the material expenditures of those same firms should be revised.

New "Engineerings" Threatened

[Crnjakovic] Why are old foreign exchange savings being bought up through advertisements? Does this perhaps involve a new scandal, like the one with engineering?

[Vedris] By law, old foreign exchange savings can be used to purchase housing rights, and can be used to buy shares at a discount. Economic logic is also involved in that transaction. Someone whose foreign exchange has been "captured" wants to get cash, and someone who has capital and wants to buy shares or an apartment makes use of the financial discount.

[Crnjakovic] Does that undermine the state's foundations?

[Vedris] If the old purchased foreign exchange savings are used to buy shares, that is a legal banking transaction permitted by law. Whether every bank has the same attitude toward all potential clients is another question. But undermining? The very fact that the state is reducing the public debt, the obligations from the old foreign exchange savings for which it has to pay interest, is positive as a macroeconomic category—if there are no abuses in individual cases, obviously. The main thing is for the rules of the game to be clearly formulated in advance, and then observed.

[Crnjakovic] Were you surprised by the extent of the crime that has engulfed the state? You probably do not suspect the credibility of the analysis, since it came from the government's staff.

[Vedris] We have flown from a rigid socialist framework into another one, a market one, arbitrarily speaking. That is an area that has been mastered, but sometimes that milieu has the characteristics of anarchic behavior. A lot of breaches are occurring in that area, and thus also crime, but all the war situations are creating those internal relationships, which must be overcome as soon as possible. It is extremely good that a meeting of the Croatian government was held under the chairmanship of President Tudjman. It means an additional obligation for the "holes" to be systematically closed as soon as possible and for the laws to be carried out.

[Crnjakovic] Are you aware that people are really hungry today? The monthly basket costs 270,000 dinars, but professors earn 90,000 Croatian dinars a month, and retirees 60,000 Croatian dinars. Has a social program been prepared?

[Vedris] About a month ago the government assigned the Ministry of Labor and Social Welfare to prepare a social program urgently, with precisely established criteria, beneficiaries, sources of financing, and a service that would implement it. The situation so far is that everyone who has not paid something, and most have not paid bills for electricity, water, or gas, will be declared a welfare case. Talking about a consistent social policy means reversing things: Everything has to be paid for, and the only question is who? Whoever cannot will get a blue card and the state will pay the bill for him. The beneficiary has to be identified by name and surname, however, according to precise criteria. Otherwise the state will be further impoverished and that will affect everyone on the average. In the short term, however, there is no real answer and remedy for your question. The process is flaring up as a consequence of the system that we abandoned and the war that we got into. We have to start where postwar Germany or Korea did, and get where they did.

Commandos or Kamikazes?

[Crnjakovic] Experts say that if we save the Economic Bank, we will also save the Croatian state. Is that true?

[Vedris] It is not a question of a crisis of the banks, but rather a crisis of their clients. If we want to turn a hospital into a hotel, then we will not change the label on the building; instead we have to cure people so that they will start to be engaged in rest and recreation instead of treatment. If you cure half, it is still a hospital that has the nature of a hotel accommodation. That is what you have with the Economic Bank. If we do not settle the issue of the Electrical Industry, the burden of the unrealistic prices falls upon the bank. The same is true of the ZPT [Railroad Transport Enterprise], which is operating at one-quarter capacity. The Economic Bank is a depository where losses are collected. The bank is trying to shift them to the state budget or to the National Bank.

[Crnjakovic] How much is the state spending?

[Vedris] Every new state spends more when it is created.

Today the state is contributing to inflation, because it cannot decide that the beneficiaries of its budget (once again employees and citizens) should simply disappear from the face of the earth. Can you stand on your own shadow? We are seeking to halt inflation. At the same time, we are seeking to increase wages, in order to keep pace with inflation! Do you know what that is? Giving a thirsty person seawater to drink. The thirsty person would drink. After that cup of water, however, he asks for two. We have to say, "Let's stop drinking." The organism has to activate its internal strengths, because everything that we are pouring in from outside is eroding it further.

[Crnjakovic] Forgive me, but that reminds me of the story about the donkey who was beaten until he died. Do you really believe that there are still internal reserves?

[Vedris] It is the difference between a commando and a kamikaze. When you go into action as a commando, your chances are perhaps minimal, but they exist, but if you go as a kamikaze, there are none. It is necessary to go into action that has a chance to start with, and Croatia can conduct the extremely difficult operation of extracting itself from the economic damage. There will be big sacrifices, and it is up to the state to distribute them equally.

[Crnjakovic] Are you preparing any unpleasant surprises for the citizens?

[Vedris] No. Just turning toward the reality of the situation and the possible way out, and that is not a surprise, even though it is unpleasant.

[Crnjakovic] Have you and Prime Minister Sarinic started to saw the board in synchronization, as that HDZ campaign cartoon showed?

[Vedris] We are not sawing; we are building.

[Crnjakovic] Is it harder to build a city house, even if it is a metropolitan one, or a state one?

[Vedris] The breadth and diversity of the work here in the state house is greater. It is even more multilayered and higher. Vertical interaction is necessary. The "floors" must not be shattered; instead, they have to be stimulated. From agriculture, shipbuilding, banks, trade... it is necessary to create a good picture, as in a puzzle.

That requires a different allocation of one's time.

[Crnjakovic] Are you bothered by the rumors about you?

[Vedris] Because of my uncompromising approach to my work in the city, my image was considerably obscured in the beginning. People did not know what I would do and how. You will not believe it, but at that time the rumors helped me. People were interested in me personally and in my work, and they focused attention on me. Today, after three years, I have gained respect among both ordinary people and businessmen, precisely because of my principled approach and clearness in defining problems, but also solutions.

You have to expose yourself to the risk of personal criticism if you want to change things, and I changed them in the city of Zagreb, because of the 99.9 percent of the people who very much wanted changes. But the 0.1 percent who lost tried to confuse the issue! My minus at the start is a plus today for the next stage of the job. That is what life is like—a chess game of black and white pieces.

Slovene-Croatian Talks on Airspace

93BA0765F Ljubljana DNEVNIK in Slovene 12 Mar 93 p 28

[Article by Roger Gogala: "Agreed-Upon Violations"]

[Text] *Croatia and Slovenia will not have joint flight control; all flights across the border should be announced an hour before takeoff.*

Ljubljana, 12 Mar—Representatives of the Croatian Flight Control Administration and the Slovene Republic Air Traffic Administration met in Otocac, and dealt with regulating three things—airspace violations, cooperation between the aircraft services, and resolving the desires of sport pilots. There was no mention of a possible joint flight control with Croatia.

It will probably also be hard to avoid minor airspace violations in the future as well. As we were told by M.A. Peter Mara, director of the Republic Air Traffic Administration, in some cases the arrival and departure procedures are such that the aircraft almost always stray across the border. For aircraft that take off or are intended for the Portoroz airport, it is almost a rule, and the same thing also applies to aircraft that have to deal with the Rijeka airport. The third such point is Maribor, but there are considerably fewer violations there. In connection with all this, it was agreed in Otocac that in these cases the procedures will remain unchanged, but the flight control has to notify the neighboring flight control that the aircraft intend to enter its space. For other flights across the border, the rule is that the flight control has to receive a detailed flight plan one hour before takeoff, through a special telecommunications network.

Among other things, in Otocac the Slovene side also agreed that Croatian aircraft can fly between the navigation points of Zagreb and Cres Island, even though the aircraft approach the border too closely. On that route, in fact, they approach up to a distance of 3.7 nautical miles (one nautical mile is 1,852 meters), whereas otherwise, the agreement in effect is that they must approach the borders at most to a distance of 5 nautical miles. The Slovene consent to this guideline only applies to civilian aircraft.

Law on Wage Freeze Adopted

93BA0765E Ljubljana DELO in Slovene 10 Mar 93 p 1

[Article by Jana Taskar: "The State Assembly Has Frozen the Growth of Wages Again"]

[Text] *After a suspensive veto by the State Council, the deputies voted again on freezing wages, and confirmed the law with 49 votes in favor and 35 opposed.*

Ljubljana, 9 Mar—The wage freeze has been adopted. In deciding again on the law on the method of calculating and paying wages, because of the suspensive veto by the State Council, at today's meeting of the State Assembly 49 deputies voted in favor of the law, and 35 were against it. At the end of February, when the State Assembly first decided on the law, 48 deputies voted in favor of it, whereas 33 were opposed. The law will be in effect starting in March, even though a wage freeze in February was left in the text of the law, since amendments to a law that has already been passed are not possible. In a separate resolution, the deputies charged the government and the competent ministry with taking the date of the law's adoption into account in promulgating it.

The deputies did not discuss the contents of the law at this session, but on the other hand 26 of them explained how they would vote and why. The session thus lasted for a mere two hours, even though this law was the only item on the agenda, since the explanations of the votes were usually rather long, and some of them were also a bit emotional.

Actually, we did not hear anyone claim that an administrative intervention in wages was the best way to restrict personal consumption and curb inflation. The LDS [Liberal Democratic Party] and SKD [Slovene Christian Democrats] deputies maintained that one could not do without it at this time, and rejected the criticisms that the law would hurt the people who earned the least and lived the worst. It was precisely this, and also the claim that even this law did not bring control over wages in the noneconomic sector, that the opposition deputies clarified. All of them said in turn that they would vote against the law. Some of them added to this that the deputies' wages had been frozen and that they were not to blame for their size themselves, since they were set by the previous Assembly (by the way, a third of the 99 deputies also sat on the deputies' benches during the previous term).

The State Council adopted a suspensive veto of this law last week, and in its justification wrote, among other things, that the law treated employees in the economy unequally and at the same time canceled the collective contract for the noneconomic sector. It also said that the wage freeze was the only economic policy measure for this year, and that the government had not yet proposed comprehensive measures to preserve social stability and stimulate economic growth. The State Council summed up the justification with the idea that the issue of wages should be resolved among equal social partners through collective negotiations, and through the conclusion of a social pact as soon as possible.

The Committee on Health, Labor, Family, and Social Policy, which weighed the State Council's arguments for the suspensive veto, did not reject its opinion, since it was to be taken into account in possible subsequent amendments and additions to the law. It only proposed to the State Assembly that it decide again on the law.

Otherwise, several criticisms were heard today about the idea, expressed from several sides, that in fact the law on the wage freeze was not very good from a professional standpoint, and that it would be wise to correct it as soon

as possible. It is another question how advisable it would even be to correct the law, since it only applies to the noneconomic sector and the state administration until the end of May.

Regulations To Implement Privatization Programs

93BA0765D Ljubljana DELO in Slovene 9 Mar 93 p 3

[Article by Silva Ceh: "The Agency Is To Prevent the Liquidation of Social Property"]

[Text] *It is to achieve this with the aid of a decree that precisely specifies how privatization programs are to be prepared at enterprises; after approval, an enterprise will send a document recording shares to the securities depository.*

Ljubljana, 8 Mar—A decree that specifies precisely how privatization programs at enterprises will be prepared—that will be possible as early as 5 May 1993, when the audit and denationalization deadlines expire, and these enterprise obligations will be known—will allow the Privatization Agency to judge the suitability of the transformation program, and at the same time, also to control the course of the privatization itself. For the people in the enterprise, both the management body that will have to prepare the program and the employees (potential joint owners), the decree should represent a time limit for carrying out privatization, as the Agency's representatives stated at today's press conference.

The decree is quite detailed, it was stated, or, as Agency Director Dr. Marko Simoneti explained, no one in East Europe has regulated these matters so comprehensively. Mira Puc, the Agency's deputy director, also said that the decree has so many articles because of the technical and procedural implementation of privatization programs. Briefly, then, what does this law offer? In its basic provisions, it specifies that the method or combination of methods of ownership transformation is prepared by a management body; at socialized enterprises it is the workers' council, and in mixed enterprises, the board of directors or assembly. It also introduces a new concept: a central depository for securities. That means that after the program is approved, the enterprise will send that depository a special document recording the enterprise's shares. Otherwise, the general provisions state what the programs have to contain (a description of the methods of transformation, preliminary financial and organizational restructuring, the sale methods planned, appropriate information about the enterprise), and what they have to make possible (for the Agency, a judgment of suitability and control, and for the enterprise, of course, the possibility of carrying out privatization).

Even before beginning the transformation, the enterprise will have to prove that it has carried out the necessary procedures associated with denationalization, then that it has separated out agricultural land and woods and real estate (if it has any, of course) in the area of the Triglav Park, that it has settled the audit procedure, etc. The decree further describes in detail the methods of transformation and their possible combinations. It should be emphasized that the enterprise will have to publish the approved program in URADNI LIST. In an internal publication or on a bulletin board, it will have to inform the employed workers about the planned privatization program; it will have to send that program in a registered letter to creditors and denationalization claimants.

The main part of the decree is the programs specified in detail for seven types of transformation (the transfer of common shares to the funds, the internal distribution of shares, the internal purchase of shares, the sale of shares in the enterprise, the sale of all the enterprise's assets and an increase in the ownership capital, and the transfer of social capital to the Development Fund). The decree thus says for each of the above-mentioned methods what its content is, what is contained in the resolution defining such a decision by the enterprise, and how the matter is then carried out in practice. Internal purchase, according to this decree, is supposed to be (in combination with internal distribution) appropriate for smaller, labor-intensive service enterprises, or together with outer possible methods, a course of privatization for medium-sized and larger enterprises, especially where "the employees' ownership ties to the enterprise can make an essential contribution to better business results." In selling shares in the enterprise, three methods are possible: collecting bids, the public sale of shares, and a public auction. Collecting bids is supposed to be particularly appropriate for small- and medium-sized enterprises, or else a method that should be combined with additional capitalization. Additional capitalization (an increase in ownership capital), according to the decree, is a method that should always be combined with other possible methods.

That is enough to start with regarding the privatization programs, which will not be confirmed by the Agency until data from the opening balance and an appraisal of the enterprise's value are attached. As we know, at seven Slovene enterprises a pilot program is under way through which a basis for the methodology of developing an opening balance is supposed to be prepared. That methodology will be one that can be used to coordinate items from enterprises' balances with the new bookkeeping standards, recalculate inflation and other indices, appraise land and real estate, etc. The last day of December 1992 is also the date that set the price of the enterprises.

[Box, p 3]

By issuing internal shares with the help of the former federal legislation, the value of social capital has been rapidly reduced at many enterprises, or else that capital has not been given the same authority as private capital. The basic requirement of the approval that the Agency has to give to enterprises that have been transformed by issuing internal shares (article 45 of the privatization law) is that the social capital also has to preserve its value after such a transformation. The enterprise will be able

to do it by either returning a proportional number of shares of private shareholders, or by issuing additional shares for the social capital.

Similarly regulated was the approval that the Agency is obliged to issue to enterprises which, before the beginning of privatization (in accordance with a privatization program), sell, invest, or otherwise dispose of funds of a high value—more than 100,000 ECU's. This is primarily aimed at avoiding an uncontrolled sale of social assets during the period of waiting for privatization. Consequently, the Agency will require that enterprises conduct such sales publicly, and at the same time it will also want to find out why the enterprises will use those assets. For example, if an enterprise wants to sell assets that are important for production, the Agency will not issue approval.

Development Fund on Restructuring of Firms

93BA0765C Ljubljana DELO in Slovene 10 Mar 93 p 3

[Article by Silva Ceh: "At Most Enterprises Financial Rehabilitation Depends on How the Old Debts Will Be Resolved"]

[Text] *The Fund has only reached agreements on rescheduling old debts at 39 enterprises; the debts to banks amount to more than a billion marks; having the Fund finance wages at enterprises is out of the question; it will be necessary to negotiate with the Bank Rehabilitation Agency.*

Ljubljana, 9 Mar—"We at the Development Fund are not omniscient. We were not prepared enough for certain things. Overall, however, we did not choose the enterprise rehabilitation and restructuring project ourselves, nor did we choose the enterprises themselves. It is the government's project," stated Fund Director Uros Korze, among other things, at today's press conference—actually an interview on the report that the Fund is sending to the government on the enterprise rehabilitation and restructuring project. One of the key problems that is being solved too slowly or not at all is financing surpluses of workers at the Fund's enterprises. The Fund expected the government to provide more regular and above all timely financing for these workers. The Fund is not only under pressure from just wages and severance pay for surplus workers, of whom there are now 11,500, but also from the demands that the Fund generally finance wages at these enterprises.

As Korze said, the Fund is resisting that logic. If it yielded in one case, it would be buried by such demands from all the other enterprises. An amount approximately equal to what the Fund requested from the state budget last year for financing surpluses, i.e., 3 billion tolars (it only received 750 million), has to be included in this year's budget. So far the Fund has allocated only 33 million marks directly for financing production at 38 enterprises; it gave banks 39 million marks for committed and guaranteed deposits; the guarantees and pledges issued cost 15.4 million marks; and the loans that the Fund has obtained for enterprises cost 7 million marks—i.e., a total of 94.4 million marks. The Fund, according to Korze, wants to finish negotiations with the creditors by the end of April, and consequently it will now negotiate directly with the Bank Rehabilitation Agency, and in this regard hopes that the degree of cooperation with the Agency will be higher than it has been so far with the banks.

There are three options available for those enterprises at which a solution is not found by April: the state budget will directly have to take care of the enterprises in which there is a national economic interest; with others, it is possible to try for auctions, and thus pay the old debts; for a third type of enterprises, bankruptcy remains the only solution. During the next three months, the Fund will borrow 3.6 billion tolars in loans from international financial institutions for working capital for "its" enterprises, and it will depend on the state how much it will contribute for reducing the costs of financing these loans.

The banks, as the main creditors, are included very little or not at all in this state rehabilitation project. The Fund's enterprises owe the banks (for loans and guarantees) more than a billion German marks. The Fund's strategy—rescheduling these debts, reducing the interest rate to 10 to 15 percent annually, and in more difficult cases writing off the debts, converting them to ownership shares, or paying them with part of the enterprises' property—has so far not proven too successful. In fact, the Fund has only reached agreements on rescheduling old debts at 39 enterprises. According to the report that the Fund is sending the government, the Maribor Credit Bank will not even talk about the biggest problems of Maribor enterprises. Logically, the possibilities for these enterprises' survival are diminishing day by day, and the problems are growing worse. The Fund is therefore counting on more constructive negotiations with the above-mentioned agency. Since the agency has so far not yet assumed the banks' claims, however, the Fund, of course, cannot yet negotiate with it in practice.

The Fund is trying hard to avoid bankruptcies as a possible solution for enterprises (according to the estimates, 17 of them), and it is also trying to find promising nuclei in them. At four enterprises (Slavnik in Koper, the Agricultural Tool Factory in Batuje, Merila in Slovenj Gradec, and Metka in Celje), bankruptcy has been instituted. In Videm the conditions for it have been met. Five enterprises have left the Fund, at two (Delta Biromatika and Plutal), the contracts with the Fund have been canceled by agreement, at 31 the management has been replaced, and it has succeeded in establishing seven new enterprises for financing production (primarily where debt rescheduling agreements have not been reached), the Fund has already definitely sold three enterprises, and at two (Cevovod in Maribor and Mobilia in Ljubljana) the buyers are still negotiating with the creditors.

Who has contributed the most to the relative (non)success of the Fund—primarily the Fund's poor experts? So

far the Fund has employed 30 world enterprises with about 100 advisers. The basic concept for their work is not the long-term restructuring of these enterprises—i.e., deciding on investments in these enterprises and seeking markets for them. That is a task for the future owners of these enterprises, and the Fund, as their temporary owner (Korze is still convinced that for most of them, in a year and a half the Fund will no longer be a majority owner), has to take care of their legal, organizational, and financial restructuring. As was stated, however, at most enterprises rehabilitation depends primarily on how the old debts will be resolved.

[Box, p 3]

According to Korze, the Fund reported to Videm's board of directors that it supported maintaining production at the paper factory, whereas it was not of the same belief regarding the enterprise's cellulose section. The state is also involved in the case of Videm—primarily the Ministry of the Economy and the Ministry of Labor, which will have to decide whether there are national economic interests for financing production at Videm. Otherwise, in Korze's opinion, Videm was already ripe for bankruptcy a year ago. The Ljubljana Bank decided then that it would provide financial assistance to Videm, and the Fund made a similar decision in February 1993. Both of them, the Bank and the Fund, have thus lost the money. The fact that the Ljubljana Bank cannot reschedule the debts was the last straw. In the case of Videm's proposed bankruptcy, it will be necessary to solve the problems of 400 workers; otherwise, these people will be joined by another 400 people. Any possible assistance from the Ministry for the Economy depends on the budget, but it would be particularly necessary to achieve a price reduction from the suppliers—domestic wood, for example, is twice as expensive as imported wood.

At Maribor's Metalna, according to Korze, the Fund's basic approach is working out, i.e., Metalna's shops are becoming independent (some people describe this as breaking it up), since this is supposed to contribute to greater responsibility on the part of management. The general willingness of Metalna's managers to invest their own funds in the enterprise still exists. The Fund is not denying the expectations of some people who see the solution to the problem in political pressures. Korze is convinced, however, that the idea that someone can rule through the Fund, whether "I remain director of the Fund or not," is wrong.

New Law Simplifies Foreign Trade

93BA0765B Ljubljana DELO in Slovene 12 Mar 93 p 3

[Article by Vesna Bertonceli Popit: "New Law Simplifies Foreign Trade"—]

[Text] *A law on foreign trade transactions has been issued in URADNI LIST; in principle trade is unrestricted.*

Ljubljana, 11 Mar—In yesterday's issue of the Slovene URADNI LIST, the first Slovene law on foreign trade transactions was published, since until now Slovenia was still using the corresponding federal legislation, with certain amendments. After this law goes into effect, 15 days after its publication in URADNI LIST RS [Republic of Slovenia], enterprises will no longer need foreign trade registration to engage in foreign trade. It will be sufficient to be already registered for wholesale trade in specific products, which enterprises will be able to sell either at home or abroad. This is an important simplification, which will be particularly welcome to the numerous new private enterprises. Specifically, in the past they were not able to act directly by themselves abroad, and instead could only cooperate with foreign countries through registered social enterprises. The consequence of this was a very meager private share in Slovene foreign trade.

Because of the situation that the socialized part of the Slovene economy is in, private businessmen are precisely the ones who should be the most vital part of it, because they do not have old liabilities and because they should also have more realistic possibilities for investments, as the republic government expects. All of this should also allow this part of the economy to be more competitive abroad. Another consequence of all this should also be a livelier development primarily of the productive part of the private economy and new jobs, since according to some estimates up to 100,000 workers could also be employed there. As the Ljubljana Gea College determined some time ago, a private businessman needs approximately three years to establish himself in the market, and after three years he usually also starts production.

In any case, the new law on foreign trade transactions simplifies foreign trade, introduces the foundations of a protective policy for imports and exports of services, and eliminates several previously necessary permits and approvals, including registration for representative activity, for reexport, and for technology transfer, because that area is regulated by the law on the protection of industrial property. It also eliminates several approvals for establishing enterprises abroad and conducting economic activity abroad.

According to the law on foreign trade transactions, exports and imports of goods are unrestricted, although the republic government can also prescribe quotas or permits for exports or imports of a specific good for developmental or protective reasons. Exports and imports of services are also unrestricted in principle, according to the law, and the republic government can also prescribe special conditions for them. The law also talks about encouraging exports, which is to be done by reimbursing tax, tariff, and other duties, through credit policy, and through other economic and development policy measures. The money for this and for the general economic and tourist informational promotion of Slovenia abroad is to be provided by the republic budget.

There were no complications at all in passing the first Slovene law on foreign trade transactions, since the State

Assembly passed it without major difficulties, and the State Council did not even discuss it. The Slovene Chamber of Commerce [GZS] is also satisfied with the text of the law, since the proposer took most of its comments into account. The Chamber is less satisfied with its treatment in this law, since on one hand it did not succeed in having the GZS be responsible for the general economic and tourist informational promotion abroad; instead, it is now only cooperating in this.

Unemployment Increases in January

93BA0765A Ljubljana DELO in Slovene 10 Mar 93 p 3

[Article by Ilja Popit: "More Than 120,000 Unemployed in January"]

[Text] Ljubljana, 9 Mar—The number of people unemployed in Slovenia grew to 120,062 in January 1993. That is 1,838, or 1.6 percent, more than at the end of last year, and 27.6 percent more than in January 1992.

The decline in the number of jobs is even higher than indicated by these data, however. In industry alone, from December to January the number of employees declined by 4,084 people, or 1.5 percent of those employed there. A considerable part of the reduction in employees is probably due to new retirements. Since "registration" among the unemployed does not take place immediately, automatically with the termination of employment, we will only find out about part of the January increase in the number of people unemployed within the February status.

If we compare the January 1993 number of people unemployed with the (December) number of employees in enterprises and other organizations, and with the (November) number of people employed by private businessmen (independent personal work), then we determine that unemployment in Slovenia is already 17.9 percent. If we perform the calculation by adding to the employees those who are still unemployed but interested in working, Slovene employment is already 15.2 percent. For comparison, let us state that a decade ago, in January 1983, with a considerably higher number of employees in Slovenia, there were only 16,556 people unemployed, which means that at that time, according to the first method of calculation, unemployment was only 2.04 percent, and according to the second, kinder calculation, it was only 2 percent.

There are more detailed data on the unemployed for December. At that time, there were 118,224 people unemployed in Slovenia, including 51,947 women. Almost 40 percent of all the unemployed, namely 47,189 people, were younger than 26, and 23,846 were seeking their first jobs.

Since years ago the bankruptcy of an enterprise was a relatively rare occurrence, and in recent years that has no longer been the case, the proportion of those who are unemployed because of bankruptcies has also increased sharply. At the beginning of 1989, about 600 were "registered" among the unemployed because of bankruptcy. At the end of 1990, there were 6,956, in January 1992 there were 18,577, and at the end of last year there were 15,935, or 13.5 percent of all the unemployed.

Federal

Cosic Returns From Brussels; Visit Reviewed

LD3103193993 Belgrade TANJUG Domestic Service in Serbo-Croatian 1815 GMT 31 Mar 93

[Text] Belgrade, 31 Mar (TANJUG)—Yugoslav President Dobrica Cosic returned to Belgrade this evening after a two-day visit to Brussels where he presented European deputies with a different view of the Yugoslav crisis and the war in Bosnia-Herzegovina, a view ignored by the Western media.

President Cosic yesterday addressed members of the Committee for Foreign Policy and Security of the European Parliament, at whose invitation he had gone to Brussels. During his stay at the seat of the European Community, Dobrica Cosic also had a meeting with Willy Claes, Belgian deputy prime minister and foreign minister.

The Yugoslav president was accompanied by Vladislav Jovanovic, federal deputy prime minister and Yugoslav foreign minister; special presidential adviser Svetozar Stojanovic; Aleksandar Prlja, ambassador in the Federal Ministry of Foreign Affairs; and presidential press adviser Dragoslav Rancic.

Further on Cosic's Return

LD3103224293 Belgrade TANJUG in English 2216 GMT 31 Mar 93

["Pool" item]

[Text] Belgrade, March 31 (TANJUG)—The Federal Republic of Yugoslavia President Dobrica Cosic said Wednesday night [31 March] the goal of his stay in Brussels was for the European Parliament to find out the truth about the Yugoslav reality, primarily about the tragedy in Bosnia-Herzegovina and the efforts on the part of the federal government for a peaceful, durable and just solution for "all three unfortunate peoples" to be found.

Cosic spoke immediately on return to Belgrade after a two-day stay in Brussels where he offered to the European Parliament deputies a different view of the Yugoslav crisis and the war in Bosnia-Herzegovina, a view ignored by the media in the Western countries.

Cosic addressed Tuesday members of the Committee for Foreign Policy and Security of the European Parliament, at whose invitation he travelled to Brussels.

During his stay, Cosic also met with Belgian Deputy Prime Minister and Foreign Minister Willy Claes.

Yugoslav Deputy Prime Minister and Foreign Minister Vladislav Jovanovic said Cosic's visit was a significant step towards international penetration of truth about the essence of the Yugoslav crisis, especially about the essence of the crisis in Bosnia-Herzegovina. He said that some collocutors have shown their knowledge on the relevant issues left much to be desired, but some of them were totally misinformed.

It was assessed in Brussels that Yugoslavia gave a significant contribution to the conclusion of the latest cease-fire agreement, which, despite certain difficulties, was holding and thus offering hope that we would all together not be offered any longer to watch the atrocities of this war in Bosnia, Jovanovic said.

He set out that the European Parliament accepted the invitation to soon send a delegation to Yugoslavia.

Ambassador at the Yugoslav Foreign Ministry Aleksandar Prlja said the European Parliament deputies renowned for their anti-Yugoslav stands, such as Otto von Habsburg, felt very uncomfortable during President Cosic's speech and later during a talk with him, because of the strength of arguments of the Yugoslav side.

In view of Cosic's special advisor, Svetozar Stojanovic, Cosic's visit has borne out the stand that propaganda should not be countered by counter-propaganda. "Our only chance is to be found in objective and sober information," he concluded.

Cosic Says Vance-Owen Plan Unjust To Bosnian Serbs

LD3103200493 Belgrade TANJUG in English 1514 GMT 31 Mar 93

["Pool" item]

[Text] Brussels, March 31 (TANJUG)—President of the Federal Republic of Yugoslavia (F.R.Y.) Dobrica Cosic has assessed that the Vance-Owen peace plan for the ex-Yugoslav Republic Bosnia-Herzegovina may serve as the basis for further negotiations, but, if adopted in its current version, it would be obviously unjust towards Bosnian Serbs.

This plan in its present form is markedly unjust towards Bosnian Serbs for it does not heed their vital interests, said Cosic in his interviews carried prominently by Brussels dailies on Wednesday [31 March].

Cosic explained that, according to the current Vance-Owen plan, 45 per cent of the Bosnian Serbs would remain under Moslem or Croat administration, whereas no more than eight per cent of the Bosnian Croats and 15 per cent of the Bosnian Moslems would find themselves outside their respective administrations.

Bosnian Serbs are on their own territory which they have not captured because it has been their ethnic space for hundreds of years, said Cosic, adding that land registers show that 64 per cent of all land in Bosnia is owned by Bosnian Serbs.

If, instead of a policy to resume talks, the European Community (E.C.) and the Western world were to go on sending the threats that might bring about a military

intervention, this would result into a longer-lasting dramatic shock to one and all, warned Cosic in his interview to LA LIBRE BELGIQUE daily.

Cosic stated that the E.C. was pursuing "a misfortunate policy" by using sanctions. The E.C. has confined the Serbian people "to a concentration camp, but the sanctions would not help a solution" be found for Bosnia-Herzegovina, said he.

Cosic stressed he was concerned if not frightened about the widespread belief in the West concerning the Yugoslav government's possibility of acting on the Serbs in Bosnia-Herzegovina in a decisive way. "This is not true. We do not have any such means of pressure because what is taking place in Bosnia-Herzegovina is a spontaneous war for national liberation motivated by the Serbs' collective memory of the Second World War genocide and their living in fears they could again find themselves overwhelmed by Croats and Moslems," said Cosic.

During the Second World War, the ustashi—elite troops of the puppet "Independent State of Croatia (NDH)" formed by Hitler's Germany—liquidated about one million Serbs, Jews and Romanies. The NDH, taking the territory of Croatia and certain parts of Bosnia-Herzegovina, also formed its special armed units composed of Moslems.

In his interview carried in LE SOIR, Cosic said that now being waged in Bosnia-Herzegovina there is a war which is simultaneously a national, religious and civil war, the roots of which should be sought in the past. But, he cautioned, to achieve peace would not be easy. It would need much patience, wisdom and negotiation, said he.

Asked about the "political weight" of the president of the Yugoslav Federation compared to that of the president of the Yugoslav Republic of Serbia, Slobodan Milosevic, Cosic's answer was: "Mr. Milosevic and myself belong to the two different generations, we are of the different natures, political conceptions, especially in the sphere of internal democratization, but we do share the same aspirations: To achieve peace and to break isolation imposed on ourselves. Each of us, in his own way, are loyal to our people, and, in this sense are cooperating."

Asked about the extreme rightists' demand to step down and asked whether the regime he heads was risking to explode, Cosic answered: "The pressures by the E.C., the aggression by Croatia, the war in Bosnia-Herzegovina, hundreds of thousands of refugees—all this creates an overall situation, of which the extremists take advantage, threatening our national being and possibly bringing about an explosion."

"True, the extreme right is in the offensive, but, the democratic potential of our people will nonetheless help people turn out triumphant. It does not seem to me that the extreme right stands a chance of imposing itself. It seeks my resignation. Being a democrat, I maintain that such an initiative is normal, that those who have raised it are duly entitled," stressed the Yugoslav president.

Cosic Says Balkans Threatened by Fundamentalism

LD3103201493 Belgrade TANJUG in English 1901 GMT 31 Mar 93

["Pool" item]

[Text] Brussels, March 31 (TANJUG)—Yugoslav President Dobrica Cosic on Wednesday [31 March] drew attention to the danger of Islamic fundamentalism in the Balkans, a continually neuralgic region where he said faiths and civilizations met and peoples intermingled.

Cosic said in a talk with leader of the Christian-Democratic grouping in the European Parliament Leo Tindemans that the West was either not aware of the danger of Islamic fundamentalism in the Balkans or took a different view of that danger.

Turkey has not only been the most vocal advocate of military intervention in Bosnia-Herzegovina (BIH) and the lifting of the embargo on arms deliveries to Bosnia-Herzegovina Muslims, but has been aiding Muslims in that former Yugoslav republic with both arms and Mojahedin.

Cosic said the principles of the Islamic declaration of Bosnia-Herzegovina Muslim leader Alija Izetbegovic were incompatible with the "state of citizens" on which he said Izetbegovic insisted so.

Cosic said he was told by President Franjo Tudjman of Croatia that between 6,000 and 8,000 Mojahedin were fighting in Bosnia-Herzegovina. The Yugoslav president said Serbs had a practically metaphysical fear of the possibility of two-fifths of them falling under Islamic rule.

Cosic described his talk with European Parliament members on Tuesday evening as significant, all-embracing and interesting, but said he was surprised by how inadequately informed the parliamentarians were about the developments in the Balkans.

Tindemans, for his part, said the situation in the Balkans truly called for better knowledge and fuller insight since the region had always been a big stake in international bargaining over spheres of influence. Tindemans said the demons of the past had come alive in the Balkans.

Cosic said the former Yugoslavia was destroyed by nationalist and secessionist ideologies. The downfall of communism, coupled with our own weaknesses at home, activated centrifugal forces, with Europe contributing to the disintegration of Yugoslavia in the worst possible way, Cosic said.

It is absurd that those who themselves contributed to the breaking up of the Yugoslav state now insist on a single Bosnia-Herzegovina and the inviolability of the borders of that former Yugoslav republic, while Serbs, who defended Yugoslavia, have been proclaimed hegemonists and imperialists, Cosic said.

Cosic on Wednesday met also with Chairman of the European Parliament's Commission for Relations with the Former Yugoslavia, Greek Socialist Paraskevas Avgerinos. Avgerinos said there was a greater understanding in the European Parliament now of what was taking place in Bosnia-Herzegovina and of the stands held by the new Yugoslav state.

Avgerinos said that Spanish and British representatives in the European Parliament were taking a more flexible and balanced approach, as opposed to the Italian and German ones.

Avgerinos said representatives of the Federal Republic of Yugoslavia should visit Brussels more often so that the European public would get fuller information about what was taking place in Bosnia-Herzegovina and other parts of the former Yugoslavia.

President Cosic on Tuesday evening conferred with leader of the socialist grouping, the strongest grouping in the European Parliament, Jeann-Pierre Cot. Cot assured Cosic that the European socialists would not add fuel to the flames, but said Serbia bore an immense responsibility for the conflict and it was increasingly difficult to defend Serbia's regime.

The war in Bosnia-Herzegovina horrifies us more than you who are watching it on TV, Cosic said. He drew Cot's attention to the fact that three sides (Muslims, Serbs and Croats) were engaged in a war of attrition in Bosnia-Herzegovina, tha: Serbs were not the only culprits, and that they were not aggressors.

The regime in Serbia is doubtlessly in a democratic evolution, although this is not obvious enough, Cosic said.

Minister Denies Human Rights Violations in FRY

LD3103203893 Belgrade TANJUG in English 1743 GMT 31 Mar 93

["Pool" item]

[Text] Kragujevac, March 31 (TANJUG)—Margit Savovic, Yugoslav minister for human rights and the rights of national minorities, stated on Wednesday that in the Federal Republic of Yugoslavia (F.R.Y.) there had been no violations of the rights of national minorities and that the allegation that the minorities were jeopardized was being used as the pretext to exert pressure on the F.R.Y.

Margit Savovic told Radio Kragujevac that every fifteen days or so, questions were raised about the national minorities' being allegedly jeopardized in the F.R.Y. and then nothing of the allegations could be proved true.

A report by the U.N. special rapporteur for human rights Tadeusz Mazowiecki, listing the alleged violations of national and human rights in the former Yugoslavia, blaming largely the Serbs, was "shameful," said Margit Savovic.

This report, said Margit Savovic, had been written abroad beforehand and Mazowiecki's two-day stay here was only the shield for what was written on 80 pages. This would continue to be so, said Margit Savovic, as long as the U.N. were acting as an executive body of the big powers, the U.S in the first place.

Margit Savovic pointed out that the national minorities in the F.R.Y. themselves wanted to take advantage of the difficult position in which the F.R.Y. finds itself, in order to satisfy their secessionist ambitions.

She said she was ready to implement all that is recognized to the minorities abroad, but, she was not ready to allow that, under the guise of human rights and the rights of minorities, secession be enabled or activities supported of any one party leader from among the ranks of the national minorities working on the decomposition of the country.

Margit Savovic stressed that the national minorities were not entitled to self-determination and secession and emphasized that not one state permits minority leaders to do what ethnic Albanian leader Ibrahim Rugova or Moslem leader Sulejman Ugljanin and others are doing.

Rugova and Ugljanin and their parties openly advocate the secession of the Serb province Kosovo and Metohija and the area of Raska (Sandzak), a region in Serbia's southeast.

'Controversial' UN Resolutions Viewed

LD0104111993 Belgrade TANJUG in English 1031 GMT 1 Apr 93

["Pool" item—By Stevan Cordas]

[Text] Belgrade, April 1 (TANJUG)—In only two days, the U.N. Security Council has adopted two resolutions which politicians and diplomats in Belgrade, the Bosnian Serb republic and the republic of Serb Krajina, fear might have far-reaching consequences not only for the peace process in the territory of the former Yugoslavia, but also for peace and stability in the Balkans and in Europe.

Resolution 815 refers to the territory of the republic of Serb Krajina (RSK) as an integral part of the Republic of Croatia, and Resolution 816 automises force to secure a no-fly zone over the former Yugoslav Republic of Bosnia-Herzegovina.

"The claim that the territory of the republic of Serb Krajina, which has been placed under U.N. protection, is under Croatia's sovereignty absolutely clashes with the Vance plan which has been accepted by both sides," said Yugoslav Foreign Minister Vladislav Jovanovic on Wednesday evening [31 March].

The U.N.-protected RSK was proclaimed in 1991 in the predominantly Serb-populated territories in the former Yugoslav Republic of Croatia.

"The Vance plan does not prejudge political solutions, which should be negotiated between representatives of the people of the RSK and Croatia," said Jovanovic and added: "In that sense, Resolution 815 calls in question the very essence of the Vance plan which is the result of agreement among several sides, none of which can change it unilaterally."

The Yugoslav foreign minister said he believed the Vance plan should have priority over Resolution 815.

The Vance plan is the basic document and any changes in it should be made by the author of the plan—Cyrus Vance himself, and not by any resolution, he said and repeated that the only way to resolve the problem was through talks.

The other controversial resolution did not come as much of a surprise to political and diplomatic circles in Belgrade, who say that it was to be expected ahead of a session of the Bosnian Serb Republic's Parliament in Bileca on Friday. The resolution was actually aimed at bringing pressure to bear on Bosnian Serbs to sign the Vance-Owen plan dividing Bosnia-Herzegovina into ten provinces, they add.

The same sources say that the United States insisted on the adoption of Resolution 816 as the best way to make good its promise to Bosnian Moslems and their leader Alija Izetbegovic for his signature on the Vance-Owen map.

Under the circumstances, it would not be surprising if the United States, i.e. the Security Council, pushed for another resolution tightening sanctions against Serbia to induce Bosnian Serbs to accept the plan.

Should this happen, it would show that neither the United States nor the Security Council have taken seriously the warning of Bosnian Serb leader Radovan Karadzic of withdrawing from the peace talks if sanctions against Yugoslavia were tightened.

Serbia

Government Sets 'Demographic Development' as Priority Task

LD3103194493 Belgrade TANJUG Domestic Service in Serbo-Croatian 1554 GMT 31 Mar 93

[Excerpt] Belgrade, 31 March (TANJUG)—Today, at the Serbian Government meeting presided over by Prime Minister Nikola Sainovic, the government established that one of its priority tasks is the launching of a policy of demographic development of Serbia. The government proceeded from the unfavorable demographic situation in the republic and the necessity to establish and build a single system of measures for the balanced renewal and development of the population.

Members of the government, as it was stated, also examined today a report by the republican revenue administration on the results of work of the financial police in six towns in Serbia. [passage omitted]

Macedonia

Italy's Fabbri Visits Skopje, Urges Recognition

AU0104113793 Rome ANSA in English 0851 GMT 1 Apr 93

[Text] (ANSA) Skopje, March 31—International recognition of the ex-Yugoslav republic of Macedonia is "just, timely and urgent" and Italy, vigorously pursuing efforts in this direction, will shoulder its own responsibilities and "set a good example if this recognition does not come about in a reasonably short time," said Cabinet Undersecretary Fabio Fabbri.

On a mission in the Macedonian capital which coincides with a decisive phase in the United Nations Security Council debate on admitting Macedonia as a member of the General Assembly, Fabbri said Italy is convinced that recognition should come from the twelve nations of the European Community and will take "all steps" possible to bring this about.

He went on to recall Premier Giuliano Amato's recent statement in which he said that if this recognition is not forthcoming within a "reasonably short time," Italy will set its own pace.

On February 13, the Italian Foreign Ministry announced it had instructed ambassadors in EC capitals to take "urgent steps" to encourage recognition of the ex-Yugoslav republic.

In a communique, the ministry said Foreign Minister Emilio Colombo feels that recognition of Macedonia "is urgent" because the community must "put an end to the prolonged isolation of the republic which is causing the deterioration of the domestic and economic situation, with possible repercussions on stability...in all of ex-Yugoslavia."

On [words indistinct], Italy took a similar step when it instructed its permanent representative at the United Nations in New York to press for the conclusion of ongoing procedures at the UN Security Council to grant UN membership to Macedonia.

Today, after talks with Macedonian President Kiro Gligorov and Prime Minister Branko Crvenkovski, the undersecretary said these authorities confirmed in detail the soundness of the "orientation we have already publicly taken, in favor of speedy recognition."

After arguing that the Italian position does not fail to include "consideration for the problems at the basis of the Greek position," Fabbri said "the international isolation of the republic of Macedonia is not merited and is ungenerous, also because it is the only republic of ex-Yugoslavia in which there is no internal conflict."

He also affirmed, "this is a question of justice. It is incomprehensible that there [words indistinct] waiting."

Assembly Debates Country Name for UN Admission

LD3103231193 Belgrade TANJUG Domestic Service in Serbo-Croatian 1641 GMT 31 Mar 93

[Text] Skopje, 31 Mar (TANJUG)—At the demand of the VMRO-DPMNE [Internal Macedonian Revolutionary Organization-Democratic Party for Macedonian Unity] deputies club, the Macedonian Assembly opened a debate today on Macedonian Government activities in connection with admission into the United Nations under the name of "the Former Yugoslav Republic of Macedonia."

[Macedonian Prime Minister] Branko Crvenkovski made the introductory speech on the issue, stressing that the government was opposed to the use of the attribute "Yugoslav" since, as he put it, "we have nothing in common with the Federal Republic of Yugoslavia." The phrase can be used only to describe a historical fact, Crvenkovski said.

The Macedonian prime minister noted that Russia, as the only permanent UN Security Council member to have recognized Macedonia, indicated that it agreed with the West's proposal to resolve the dispute over the name between Athens and Skopje with a compromise. According to Crvenkovski, there are two ways to resolve this issue: to find a compromise or to adopt the "all-or-nothing" strategy.

Several deputies accused the government of not keeping them properly informed, as a result of which deputies learned about the dispute from the Greek press and commentaries in the Macedonian press. VMRO-DPMNE Deputy Ratka Dimitrova accused the government of not keeping the assembly properly informed about its foreign policy. She recalled that the government signed an agreement with the United Nations on stationing UN armed forces [in Macedonia] last December but that it has not informed deputies about this nor has the assembly ratified the agreement. In the meantime, the UN troops have been deployed throughout Macedonia. A discussion on this issue has been postponed for tomorrow.

Kosovo

Military Movements Reportedly Continue 31 Mar

AU0104115193 Pristina KOSOVA DAILY REPORT Nr. 63 in English 31 Mar 93

[Unattributed report published by the Democratic League of Kosovo: "Military Movements Noticed in Suhareka"]

[Text] Today at Suhareka from the direction of Dula towards Prizren, a military convoy composed of 51 military trucks and land rovers passed through Suhareka, at around 1 p.m. Military trucks and vehicles passed through the town yesterday too.

Army Reportedly Deploys Large Forces, Organizes Troops

AU3103170493 Tirana Radio Tirana Network in Albanian 1430 GMT 31 Mar 93

[Text] ATA states that numerous reports from Kosova inform us that movements and new concentrations of the Serbian Army were noticed again yesterday. Three tanks, two armored vehicles, and three military trucks left the Ferizaj military barracks yesterday morning.

The convoy of cars accompanied by the police headed toward Gjilan. Several tanks, armored vehicles, and military transporters later arrived at the barracks from Shkup-Prishtine Street.

Yesterday morning, a large number of Serbian military forces were stationed in Adalisht village of Istog and Qitak village of Skenderaj Commune. They amount to 220 military armored cars, which entered the yards of Albanian homes during training drills. Besides the vehicles, a total of 1,000 troops have also been organized. Movements and demonstrations have also been developed over the last couple of days in other regions, too.

Serbian Military Build-Up Reported in Province

AU3103155393 Pristina KOSOVA DAILY REPORT Nr.62 in English 30 Mar 93

[Unattributed report issued by the Democratic League of Kosovo: "Heavy Serbian Military Build-Up in the Villages of Is Tog and Skenderaj"]

[Text] It has been reported that since early morning (around 06:00 hours) today, heavy Serbian military forces have been deployed at the Padalishte village (Istog), where the headquarters is stationed, and the Qitak village of the municipality of Skenderaj.

A battalion of some 1,000 Serbian soldiers with over 200 armored cars comprise the military build-up. While being involved in exercises, cases of intruders into Albanian homeyards have been reported.

Serbs Plan Establishment of 'Strongholds' in Kosovo

AU3103155693 Pristina KOSOVA DAILY REPORT Nr. 62 in English 30 Mar 93

[Unattributed report issued by the Democratic League of Kosovo: "Arkan Calls for the Establishment of Serbian Strongholds in Kosovo"]

[Text] Zeljko Raznjatovic "Arkan," commander in chief of the Serbian paramilitary group "The Tigers," charged with war crimes, who has recently been elected as deputy from Kosovo to the Serbian parliament, called yesterday in a press conference held in Prishtina for the establishment of Serbian strongholds in Kosovo by resettling people from Bosnia and Croatia.